

U.S. DEPARTMENT OF EDUCATION

FEDERAL FAMILY EDUCATION LOAN PROGRAM

GUARANTY AGENCY QUARTERLY/ANNUAL REPORT

INSTRUCTIONS

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ED FORM 1130 INSTRUCTIONS**

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II. INTRODUCTION

Background

The Guaranty Agency Quarterly/Annual Report (ED Form 1130) is required to be submitted by each participating guaranty agency (GA) on both a quarterly and an annual basis. The collection of this information is necessary so that the Department of Education (ED) may determine:

- if the agency is properly administering the following loan programs under the Federal Family Education Loan (FFEL) Program authorized under Title IV, Part B of the Higher Education Act of 1965, as amended (HEA):
 - the Robert T. Stafford Student Loan Program (Federal Stafford Loans or Federal Stafford),
 - Federal PLUS Loans,
 - Federal Supplemental Loans for Students (Federal SLS)
 - Federal Consolidation Loans and
 - Unsubsidized Stafford Loans for Middle-Income Borrowers (Unsubsidized Stafford);
- the amount to pay each agency for the administrative expense allowance (formerly ACA) and reinsurance claims authorized by law.

In addition, the data collected are used to provide information to Congress and others on various aspects of the FFEL Program.

The ED Form 1130 consists of two parts, a Quarterly report (Parts A through D) and an Annual Report (Part E). Information on the ED Form 1130 reflects the FFEL Program activity of an agency in or to the end of the current quarter or year. The ED Form 1130 is used in conjunction with the Guaranty Agency Monthly Claims and Collections Report (ED Form 1189) to process the monthly cycle of financial activities between each guaranty agency and ED. Failure to submit an accurate ED Form 1130 in a timely manner could disrupt this process.

During previous fiscal years several guaranty agencies merged and more agencies are expected to merge during future fiscal years. In order to maintain

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a reasonable database with respect to the last quarter of operation of the merging agency, a Guaranty Agency Quarterly/Annual Report (ED Form 1130) must be completed and submitted to ED by the merging and succeeding guarantor.

The merging and succeeding guaranty agencies must coordinate to ensure that amounts are not double reported on the ED Form 1130.

Other References

These instructions provide information on how to complete each item in the ED Form 1130. However, they do not restate in their entirety the laws, regulations, and policy bulletins which may apply to an item on the form. The following material should be consulted also when completing the ED Form 1130:

- the Higher Education Act of 1965, as amended, and in particular, Title IV, Part B (20 U.S.C. 1071 et seq.)
- the Code of Federal Regulations, Department of Education, 34 CFR Part 682, Federal Family Education Loan Program (formerly Guaranteed Student Loan and PLUS Programs), and 34 CFR Part 668, Student Assistance General Provisions, and
- Student Financial Assistance Programs bulletins. The majority of the Dear Colleague Letters (DCL) which apply to the ED Form 1130 are addressed directly to the guaranty agencies in the GA series. However, some DCL's issued to schools and lenders may also apply.

Note that the FFEL Program has frequent changes in laws, regulations, and policies. A guaranty agency is responsible for complying with all current laws, regulations, and policies, and for ensuring that any information provided on the ED Form 1130 conforms with them and reconciles, where applicable, to the monthly data submitted on the ED Form 1189.

Guaranty Agency Records

Unless otherwise specified, report only on activities concerning loans guaranteed under the FFEL Program at the time the loan guarantee was issued. Loans guaranteed under non-FFEL programs, which are operated by the guaranty agency are not to be included in this report. An example of a non-FFEL program would be a student loan program established by State law and

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operated entirely with State funds for individuals pursuing a particular course of study.

The quarterly periods used must be consistent with the monthly periods used for the Guaranty Agency Monthly Claims and Collections Report (ED Form 1189). The yearly period used must be consistent with the quarterly periods used for the Quarterly Report, and the monthly periods used for the ED Form 1189.

The agency must maintain detailed records to support each entry on the ED Form 1130 and that facilitate tracing the entries back to individual loan, borrower or lender levels, and to specific guaranty agency level transactions. This includes keeping accurate records of reinsurance payments and collections on defaulted loans at the loan and borrower level. All records must be available for verification by the Secretary of Education or other authorized representatives of the U.S. government.

Information submitted on the ED Form 1130 should be consistent with and comparable to relevant information reported to the National Student Loan Data System (NSLDS).

Parts A and E of the ED Form 1130 should also be consistent with the historical reporting portion of ED Form 704, Guaranty Agency Projection Model.

A guaranty agency is required to maintain all records in the manner and for the period of time set forth in the program regulations. The detail records and the 1130 reports are to be included in the compliance audit requirements in accordance with 34 CFR Part 682.410(b) as required in the A-133 Audit Guide.

Report Period

The Quarterly Report (Parts A through D) is submitted for each quarter of the year, that is, for each three month period. It is to be completed and submitted within 60 days after the end of each quarter. The quarters end on December 31, March 31, June 30, and September 30. An Annual Report must be completed and included with the September 30 Quarterly Report submitted at the end of the Federal fiscal year. Failure to submit the reports by their due dates may result in the delay of benefits due the agency.

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A guaranty agency may submit only one Quarterly Report for a quarter, and only one Annual Report for a year. However, a guaranty agency may voluntarily, or be required by ED to, make corrections or adjustments to a given submission. The agency must indicate on each report the quarter or year covered by the form and whether it is an original, correction or adjustment submission. Prior period corrections or adjustments are not to be netted in the current reporting period, they should be reported as a correction or an adjustment to the applicable period. See pages 10 and 11 for definitions of corrections and adjustments.

Report Packaging

The ED Form 1130 has a total of five parts on 31 pages. The first four parts, A through D, are collectively referred to as the Quarterly Report. Its 24 pages are numbered "QR1" through "QR24." The fifth part, Part E, is called the Annual Report. The Annual Report's six (6) pages are numbered "AR1" through "AR6." The other page in the package is the Cover Page. The Cover Page has no other number and the submission of it is optional.

The Annual Report must be submitted, along with the Quarterly Report for the quarter ending September 30.

When submitting a correction or an adjustment, only the page(s) being corrected or adjusted, and the certification page for the Quarterly Report or the Annual Report, as appropriate, must be submitted.

An agency's submission will be checked upon its receipt by ED. If it is missing pages, the entire form will be returned to the agency for correction without further processing.

To facilitate the processing of the Quarterly and Annual Reports, the agency must indicate on the certification page for each report the type of submission it is making each time, i.e., an original submission, a correction, or an adjustment.

For each part submitted, the part heading must always be completed. The part heading consists of the guaranty agency's State name, the guaranty agency's code, and the reporting period, quarter or fiscal year ending date, as appropriate.

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Data Types

Three types of data are requested on the ED Form 1130:

- cumulative since the beginning of the agency's program refers to the aggregate numbers and dollars accumulated since the beginning of the agency's participation in the FFEL Program;
- end-of-quarter/year status refers to the classification of the total number of borrowers or the number and dollar amount of loans, claims or accounts for a given item on the last day of the reporting period; and
- federal fiscal year to date refers to the aggregate numbers and dollars accumulated since the beginning of the federal fiscal year (October 1) covered by the report.

Completing Line Items

For any line item, if any one column in the item is completed, then all columns for the line item must be completed, even if a zero (0) is used. If any column in a line item contains a zero, then all other columns in that line item must contain a zero or a value greater than zero. ED will assume zeroes for any line left blank. Please note that many items request the number of transactions and the related dollar amount, or one item requests the amount and the next item requests the related number of transactions. In most, but not all, of these cases it is illogical to report a dollar amount if the related number of transactions is zero. ED will edit and reject forms containing such inconsistencies.

Enter all dollar amounts to the nearest dollar. **Do not** include decimal points and cents.

Example: The amount of one hundred twenty-five dollars and twelve cents, 125.12, must be rounded to the nearest dollar and entered as \$125. If the amount is entered as \$125.12, ED will interpret it as \$12,512 (twelve thousand five hundred and twelve dollars).

All items (except E-21) on the ED Form 1130 represent values of zero or more. That is, **only positive values** are to be reported. Item E-21, Other Pending Transactions, can be either positive or negative.

Interest Definitions

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Throughout this report, references are made to various types of interest. Each type of interest is defined below instead of being defined each time the term appears.

Interest capitalized by the lender: Principal is the loan amount upon which a lender bases its interest calculations. The FFEL Program allows a lender to convert interest to principal under certain conditions. Throughout this report, such a conversion and such interest amount is referred to as interest capitalized by the lender. Once interest is capitalized by the lender, it is usually not referred to separately any more. Instead, the capitalized interest and the original loan amount are referred to together as principal.

Lender (or borrower) interest: This is interest calculated by the lender on the loan principal, but which is not capitalized by the lender. This interest is payable by the borrower, so it is sometimes referred to as borrower interest. On subsidized Federal Stafford loans, ED pays the interest to the lender for the borrower under certain conditions. When a lender files an insurance claim on the loan with a guaranty agency, lender interest stops accruing. For the purpose of the ED Form 1130, the interest which accrues after this date is referred to by another term (guaranty agency claim interest) as described below. Unpaid lender interest is paid to a lender by the guaranty agency as part of an insurance claim.

Guaranty agency claim interest: This is interest calculated by the guaranty agency on the loan principal while a lender's insurance claim is being processed by the guaranty agency, and which is eligible for reinsurance from ED. It is paid to the lender by the guaranty agency as part of an insurance claim.

Non-reinsured Guaranty Agency interest: This is interest calculated by the guaranty agency on the loan principal while a lender's insurance claim is being processed by the guaranty agency, but which is not eligible for reinsurance from ED. It is interest for time periods which is excluded from eligibility for reinsurance by law or regulation. Even though it is not eligible for reinsurance, this interest must be paid to the lender by the guaranty agency as part of an insurance claim.

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Purchased interest: This is the interest a guaranty agency pays to a lender at the time an insurance claim is paid. It consists of lender interest, guaranty agency claim interest and non-reinsured GA interest, as defined above. The guaranty agency must capitalize all purchased interest and treat it as principal for collection purposes, including for the purpose of the calculation of accrued interest as defined in the next paragraph.

Accrued interest: Accrued interest is interest calculated by the guaranty agency (not the lender) on the loan principal in a collection account for collection from the borrower after an insurance claim is paid to a lender. The loan principal in a collection account also includes all purchased interest (lender interest, guaranty agency claim interest and non-reinsured GA interest) because all purchased interest must be capitalized by the guaranty agency at the time the insurance claim is paid.

Principal Definition

Once a claim has been paid to a lender the principal amount of the claim plus the purchased interest paid to the lender is referred to as principal. After a claim has been paid the purchased interest is capitalized and thus becomes the amount of principal owed to the guaranty agency. Purchased interest can include lender (or borrower) interest, guaranty agency claim interest, and non-reinsured GA interest.

Submission of the Report

The ED Form 1130 may be submitted in one of two ways:

The first is on a computer-generated facsimile of the ED Form 1130. An original and one copy of the report must be submitted. The report must be printed on no smaller than 11 x 8½ inch paper. Each Part must contain exactly the same words, including headings, and arrangement as on the printed form provided with these instructions. The only exception is that the lines (also called "underlines") indicating where entries are to be made may be omitted. However, the groups of "XXX" for certain columns of certain items must be included. These "XXX's" indicated that no entry can be made for that particular column of the line item. An agency does not need to obtain prior approval from ED before using a computer-generated facsimile.

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The second submission method is to photocopy and complete the form which accompanies these instructions. An original and one copy of the report must be submitted. The report must be submitted on no smaller than 8½ x 11 inch paper. A completed ED Form 1130 is to be submitted to:

U.S. Department of Education
Guaranty Agency Processing
Post Office Box 4137
Greenville, TX 75403-4137

Please note that this address is a U.S. Postal Service box. Forms cannot be submitted via a private package delivery or courier service such as United Parcel Service or Federal Express. If overnight delivery to ED is desired, then the guaranty agency must use the overnight delivery services available from the U.S. Postal Service.

Note: Only the ED Form 1130 should be submitted to the Greenville address. Any correspondence pertaining to the 1130 form should be sent to:

U.S. Department of Education
OPE/SFA/AFMS/LFMD
Guaranty Agency Reporting
P.O. Box 23457
L'Enfant Plaza Station
Washington, DC 20026-3457

Editing and Correction

Upon receipt of a guaranty agency's ED Form 1130, ED will edit the information for validity and reasonableness and, if necessary, request corrections. A correction is defined as a necessary change required to an agency's Form 1130 made before acceptance by ED.

ED performs both manual and computer edits on the form. If a form is returned because it failed manual edits, a cover letter indicating the reason(s) for rejection will be attached.

After computer edits are performed, a printout is prepared and mailed to the agency listing all data that ED received item by item. If one or more items on

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an agency's ED Form 1130 failed computer edits, these items will be identified on the printout. The agency must correct any item identified as being in error. ED staff may also request the agency to submit a correction if the form contains items which passed computer edits, but which seem unreasonable in view of past program activity. Finally, the guaranty agency itself may identify errors in the information they have submitted to ED and request that it be corrected.

When submitting a correction, provide only those pages of the ED Form 1130 that require correction. Enter all information for the entire line containing the field being corrected. Circle the specific field being corrected in red. The amount reported on a correction is to be the correct total amount, not the change from the incorrect total amount originally reported.

Adjustment

After a guaranty agency's Quarterly Report or Annual Report passes all edits and is accepted by ED, it is still possible that an error may be discovered and an adjustment will be needed. An adjustment is defined as a change to an agency's Form 1130 made after its acceptance by ED.

If such a change is needed, either the guaranty agency or ED may request the guaranty agency to adjust the report's contents by submitting each page of the ED Form 1130 that requires adjustment. Enter all information for the entire line containing the field being adjusted. Circle the specific field being adjusted in red. The amount reported on the adjustment is to be the correct total amount, not the change from the incorrect total amount originally reported.

ED will analyze the adjustment. It may then either accept, reject, request a correction, or request further information concerning the adjustment. If a correction to an adjustment is being submitted, indicate this as an adjustment on the appropriate certification page.

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III. COVER PAGE AND PAGE HEADINGS

Use the following instructions to complete the heading at the top of the Cover Page and the top of each part of the ED Form 1130.

Guaranty Agency State Name

For brevity and uniqueness, ED refers to most guaranty agencies by the name of the principal State in which they do business instead of by their full legal name. The list of these names is contained in the Appendix, Guaranty Agency List. Enter the agency's state name as assigned by ED and listed in the Appendix.

Guaranty Agency Code

For automatic data processing purposes, ED assigns a three digit code to each guaranty agency. The list of these codes is contained in the Appendix, Guaranty Agency List. Enter the three digit agency code assigned by ED and listed in the Appendix.

Quarter Ending

A guaranty agency submits a Quarterly Report (Parts A through D) for a quarter of activity after the end of that quarter. Enter the month, day and calendar year (in this order) of the last day of the quarter for which activity is being reported on the Quarterly Report. The 1130 reporting must be consistent with the agency's ED Form 1189 reporting. Use numbers to stand for the month. Enter only the last two digits of the year. The acceptable quarters are as follows:

Dec 31	enter 12-31-
Mar 31	enter 03-31-
Jun 30	enter 06-30-
Sep 30	enter 09-30-

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Fiscal Year Ending

A guaranty agency completes and submits Part E as their Annual Report for a year of activity after the end of that federal fiscal year. Enter the last two digits of the calendar year of the last day of the year for which activity is being reported on the Annual Report. The month and day of the end of the fiscal year, September 30, are preprinted.

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IV. PART A: GUARANTEE ACTIVITY

This Part is used to report the agency's loan guarantees, claims paid to lenders, and collections after claims have been paid. This Part is also used to calculate a guaranty agency's administrative expense allowance (AEA), sometimes referred to as administrative cost allowance (ACA).

AEA is .85 percent of the Federal Stafford (both subsidized and unsubsidized), Federal PLUS, and Federal SLS loans guaranteed by the agency during a fiscal year less the amount of unconsummated loans. Refinanced Federal PLUS and Federal SLS loans are included in the calculation, except for those loans refinanced to secure combined payment. Federal Consolidation Loans are excluded from AEA. Only the original guarantor of a loan can receive AEA. A guaranty agency cannot receive AEA on loans transferred from another agency.

AEA is calculated and paid by ED after each Quarterly Report is processed. It is paid through the monthly processing cycle of the ED Form 1189.

All amounts and numbers reported in Part A are to be cumulative since the beginning of the agency's participation in the FFEL Program, except for item A-7, Number of Stafford Borrowers in Interim Status at End-of-Quarter. This item is to reflect the end-of-quarter status.

The Guaranty Agency State Name, Code, and the Quarter Ending must be entered for each page submitted.

The Guarantee Activity Part has five columns and three sections. The columns are the same for each section.

For each line item in Part A (except as noted), enter the information requested for each loan program in each column using the following loan program definitions:

Column A - Federal Stafford (except Unsubsidized)

The Robert T. Stafford Federal Student Loan Program. These are loans insured by the guaranty agency where the borrower's interest is subsidized by

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ED during in-school and grace periods and periods of authorized deferment. Such loans have been referred to previously as Stafford Loans, Guaranteed Student Loans, and GSL loans. Some lenders made unsubsidized Stafford Loans before the enactment of Section 428H. Such loans would cover the costs of instruction for periods of enrollment beginning before October 1, 1992. Include this type of unsubsidized Stafford loan in this column, Column A.

Column B - Federal PLUS

The Federal PLUS Loans Program. These are loans to parents of students. Such loans have been referred to previously as PLUS Loans, PLUS - Parent loans, and Parental Loans for Undergraduate Students.

This includes loans refinanced under Sections 428B(e)(2) and (3) of the HEA. Both the underlying loans and the refinanced loan are to be reported here. If the guaranty agency guaranteed only some of the underlying loans which were refinanced, report on only those loans which it guaranteed.

Loans refinanced to secure combined payment under Section 428(B)(e)(1) of the HEA are not to be reported here. This action does not create another loan.

Column C - Federal SLS

The Federal Supplemental Loans for Students Program. These are loans to graduate and professional students, and to undergraduate independent students. Federal SLS loans can also be made under certain conditions to undergraduate dependent students. Such loans have been referred to previously as PLUS - Student and ALAS loans. Issuance of new loans in the Federal SLS Program was discontinued July 1, 1994. Loans for periods of enrollment that begin after July, 1994 may not be made.

This includes loans refinanced under Sections 428A(d)(2) and (3) of the HEA. Both the underlying loans and the refinanced loan are to be reported here. If the guaranty agency guaranteed only some of the underlying loans which were refinanced, report on only those loans which it guaranteed.

Loans refinanced to secure combined payment under Section 428A(d)(1) of the HEA are not to be reported here. This action does not create another loan.

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Column D - Federal Consolidation

The Federal Consolidation Loans Program. These are loans made under the authority of Section 428C of the HEA by consolidating the principal and borrower interest due at the time of consolidation on Federal Stafford Loans (both subsidized and unsubsidized, including Unsubsidized Loans for Middle-Income Borrowers), Federal PLUS Loans, Federal SLS Loans, Federal Perkins Loans (previously referred to as National Direct Student Loans, National Defense Student Loans, and NDSL loans), Federally Insured Student Loans (FISL), Health Education Assistance Loans (HEAL's made under Subpart I, Part A, Title VII of the Public Health Service Act) and Health Professions Student Loans (HPSL's made under Subpart II, Part A, Title VII of the Public Health Service Act) and loans made under the Nursing Student Loan Program, Subpart II of Part B, Title VIII of the Public Health Service Act, defaulted Title IV loans, and William D. Ford Federal Direct loans (Federal Direct Loan Program).

Federal SLS and Federal PLUS loans refinanced under Sections 428A(d)(2), 428A(d)(3), 428B(e)(2) or 428B(e)(3) of the HEA must be reported under the appropriate Federal SLS or Federal PLUS category. These refinanced loans are not Federal Consolidation Loans.

Column E - Unsubsidized Stafford

The Unsubsidized Stafford Loans for Middle-Income Borrowers Program. These are loans under the authority of Section 428H of the HEA to borrowers who do not qualify for Federal interest subsidy payments under Section 428 of the HEA. Essentially, these are the same as Federal Stafford Loans, except for the borrower interest subsidy. Only Unsubsidized Stafford Loans made to cover the costs of instruction for periods of enrollment beginning on or after October 1, 1992 are included in this column. Unsubsidized Stafford loans made for enrollment periods before October 1, 1992 are reported in column A, Federal Stafford (except Unsubsidized).

Loans Section

This Section reports the issuance and maintenance of loan guarantees by the agency. Report on all loans originally guaranteed by the agency under the FFEL Program, even if these loans were later cancelled or later lost their insur-

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ance or reinsurance. Separate line items in this Section address these later actions.

The Loans Section has fourteen line items.

A-1 LOANS GUARANTEED - AMOUNT

Enter the original principal amount of all loans guaranteed for each program. Include all loans guaranteed under the FFEL Program, even if they are subsequently cancelled in whole or part, or subsequently lose reinsurance.

Include the amount of Federal PLUS and Federal SLS loans refinanced as reported in item A-14, Federal PLUS and Federal SLS Loans Refinanced - Amount.

Do not include any interest capitalized by the lender in this item except for Federal Consolidation Loans. For Federal Consolidation Loans, include the borrower interest due on the underlying loans at the time they are consolidated. Such interest is not classified as capitalized interest.

Do not include amounts of loan guarantees transferred in from another guaranty agency in this item.

A-2 LOANS GUARANTEED - NUMBER

Enter the number of all loans guaranteed for each program. The number of Loans is equivalent to the number of applications for loan insurance approved by the guaranty agency. Include all loans guaranteed under the FFEL Program, even if they are subsequently cancelled in whole or part, or subsequently lose reinsurance.

Include Federal PLUS and Federal SLS loans refinanced whose amount is reported in item A-14, Federal PLUS and Federal SLS Loans Refinanced - Amount.

Do not include number of loan guarantees transferred from another guaranty agency in this item.

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Example: A Federal Consolidation Loan reported in A-1 as \$14,548 originally consisted of six separate loans, three Federal Stafford Loans (column A of item A-1), one Federal SLS loan, one HPSL and one Unsubsidized Stafford loan (column E of item A-1). The loans had the following original principal, and the following balances at the time of consolidation, with the consolidation balance consisting of principal, borrower interest, and late charges:

<u>Loan</u>	<u>Original Principal</u>	<u>Balance at Consolidation</u>
Federal Stafford (#1)	\$ 1,000	\$ 903
Federal Stafford (#2)	\$ 1,000*	\$ 903
Federal Stafford (#3)	<u>2,000*</u>	<u>1,856</u>
Federal Stafford Subtotal	\$ 4,000	\$ 3,662
Federal SLS	4,000	3,813
HPSL	5,500*	5,217
Unsubsidized Stafford	<u>2,000*</u>	<u>1,856</u>
Totals	\$ 15,500	\$ 14,548

*These are loans originally guaranteed by the agency.

The entries are:

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Item	Federal Stafford (except Unsub.) <u>(A)</u>	Federal PLUS <u>(B)</u>	Federal SLS <u>(C)</u>	Federal Consol- idation <u>(D)</u>	Unsub- sidized Stafford <u>(E)</u>
A-1 Loans Guaranteed - Amount					
	\$3,000*	\$ 0	\$ 4,000*	\$14,548	\$2,000
A-2 Loans Guaranteed - Number					
	# 2	# 0	# 1	# 1	# 1

A-3 UNCONSUMMATED LOANS CANCELLED - AMOUNT

Enter the original principal amount of loans disbursed where the lender's check is returned uncashed, the lender's check remains uncashed 120 days after disbursement, the electronic funds transfer (EFT) is not completed, or the amount of the loan disbursed by EFT is returned to the lender without having been provided to the borrower within 120 days of the transfer.

Include any refinanced Federal PLUS and Federal SLS loan which is reported in item A-14, Federal PLUS and Federal SLS Loans Refinanced - Amount, which is cancelled under these conditions.

If only part of a loan is cancelled under these conditions, include that part of the loan amount here. If a loan has multiple disbursements, and part is cancelled under these conditions, and the rest is never disbursed, include the appropriate part of the loan amount in this item and in item A-4, Other Loans Cancelled - Amount. If an amount is returned to the lender within 120 days after the lender's check is cashed or the EFT is completed, treat it as a prepayment. Do not report it here or in item A-4 because it is not a cancellation.

Examples: Assume a lender secures a Federal Stafford Loan (reported in column A) guarantee and then sends a

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\$1,000 check to a school to be picked up by the borrower. However, the student fails to enroll and the school returns the check to the lender. The entries are as follows:

<u>Item</u>	Federal Stafford (except Unsub.) <u>(A)</u>
A-1 Loans Guaranteed - Amount	\$ 1,000
A-3 Unconsummated Loans Cancelled - Amount	\$ 1,000

Assume a lender secures a Federal PLUS loan guarantee and then sends an EFT to a large university for loans covering 250 different students. Included in this transfer is \$2,200 for the Federal PLUS loan. The Federal PLUS borrower fails to request the loan proceeds from the school. Twenty-one days after receiving the funds, the school transfers \$2,200 from its student loan account back to the lender. The entries are as follows:

<u>Item</u>	Federal PLUS <u>(B)</u>
A-1 Loans Guaranteed - Amount	\$ 2,200
A-3 Unconsummated Loans Cancelled - Amount	\$ 2,200

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A-4 OTHER LOANS CANCELLED - AMOUNT

Enter the original principal amount of loans cancelled before disbursement for each program. Include any refinanced Federal PLUS and Federal SLS loan which is reported in item A-14, Federal PLUS and Federal SLS Loans Refinanced - Amount, which is cancelled before disbursement. See item A-3, Unconsummated Loans Cancelled - Amount, for an explanation of how to report other situations related to loan cancellations.

Examples: Assume a lender secures an Unsubsidized Stafford Loan (reported in column E) guarantee for \$2,000, but is informed by the student the same day that she will not be attending school. Therefore, the lender never issues a loan check for the student. The entries are as follows:

<u>Item</u>	Unsubsidized Stafford (E)
A-1 Loans Guaranteed - Amount	\$ 2,000
A-4 Other Loans Cancelled - Amount	\$ 2,000

Assume an agency guarantees a \$2,500 Federal PLUS loan but, for whatever reason, the lender disburses to the borrower only \$1,850. The entries are as follows:

<u>Item</u>	Federal PLUS (B)
A-1 Loans Guaranteed - Amount	\$ 2,500
A-4 Other Loans Cancelled - Amount	\$ 650

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A-5 UNINSURED LOANS - AMOUNT

Enter the original principal amount of loans for each program which have lost insurance and are not eligible for cure under ED regulations. Include any refinanced Federal PLUS and Federal SLS loan which is reported in item A-14, Federal PLUS and Federal SLS Loans Refinanced - Amount. This item is used in conjunction with other items on the ED Form 1130 to help determine the amount of a guaranty agency's reinsurance payments from ED. Uninsured loans and unreinsured loans are treated differently on the ED Form 1130. When a loan loses insurance, it means the guaranty agency will not pay a claim to a lender, or if it did, the lender refunded the claim amount. Any loan which loses insurance also loses eligibility for reinsurance.

When a loan loses reinsurance, it means:

- the guaranty agency paid a claim to the lender,
- the lender did not refund the claim amount, and
- ED will not pay a reinsurance claim to the guaranty agency, or if ED did pay, the guaranty agency refunded the claim amount.

The following paragraphs explain each insurance and reinsurance situation and how the information should be reported on the ED Form 1130. The loss of insurance or reinsurance actually occurs from the point that the violation causing the loss occurs. However, the following paragraphs explain what to do at the time the guaranty agency discovers that the loan has lost insurance or reinsurance.

If a loan loses insurance prior to the lender filing a claim, then report the amount in this item, A-5. Do not report it in item E-24. No other items on the ED Form 1130 need to be changed for this case.

If a loan loses insurance after the guaranty agency has paid a claim to the lender, but before the guaranty agency has filed for reinsurance, and the lender refunded the claim amount, then report the amount in this item, A-5. Also, if the loan claim information had been included in prior ED Form 1130 submissions, then change the ED Form 1130 as follows:

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- do not report the amount in item E-24, Unreinsured Loans Not Eligible for Cure,
- reduce any amounts reported in the appropriate line items of Claims Section and the Collections Section of this Part, but do not reduce the amount reported in the Loans Section of this Part,
- reduce the amounts reported in the appropriate line item of Part B, Paid Claims Portfolio,
- reduce the amounts reported in the appropriate line item of Part C, Federal Receivable Data,
- reduce the amount reported in item E-9, Total Claims,
- make any necessary changes to the items in the Pending and Contingent Transactions Section of Part E, Annual Report,
- reduce the amount reported in the appropriate line item of the Default Claims Paid Section, but do not reduce the amount reported in the Lender Loan Volume Section of Part E, Annual Report, and
- if it is a Federal Consolidation Loan, reduce the amount reported in the appropriate line item of the Composition of Federal Consolidation Loans Section of Part E, Annual Report.

If a loan loses insurance after the guaranty agency has paid a claim to the lender, but before the guaranty agency has filed for reinsurance, and the lender did not refund the claim amount, then do not report the amount in this item, A-5. As explained above, this is considered to be a case of loss of reinsurance, not insurance. Report this amount in item E-24, Unreinsured Loans Not Eligible for Cure. See the instructions for item E-24 on other changes which may need to be made to the ED Form 1130 for this situation.

If a loan loses insurance:

- after the guaranty agency has paid a claim to the lender,
- the guaranty agency has received reinsurance from ED,
- the lender refunded the claim amount to the guaranty agency, and
- the guaranty agency refunded the reinsurance amount to ED;

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then report the amount in this item, A-5. Also, if the loan claim information had been included in prior ED Form 1130 submissions, then change the ED Form 1130 as follows:

- do not report the amount in item E-24, Unreinsured Loans Not Eligible for Cure,
- reduce any amounts reported in the appropriate line items of Claims Section and the Collections Section of this Part, but do not reduce the amount reported in the Loans Section of this Part,
- reduce the amounts reported in the appropriate line item of Part B, Paid Claims Portfolio,
- reduce the amounts reported in the appropriate line item of Part C, Federal Receivable Data,
- reduce the amount reported in item E-9, Total Claims,
- if necessary, reduce the amount reported in item E-4, Federal Reinsurance and SPA Payments,
- if necessary, reduce the amount reported in item E-6, Agency Collections on Claims Paid,
- make any necessary changes to the items in the Pending and Contingent Transactions Section of Part E, Annual Report,
- reduce the amount reported in the appropriate line item of the Default Claims Paid Section, but do not reduce the amount reported in the Lender Loan Volume Section of Part E, Annual Report, and
- if it is a Federal Consolidation Loan, reduce the amount reported in the appropriate line item of the Composition of Federal Consolidation Loans Section of Part E, Annual Report.

If a loan loses insurance:

- after the guaranty agency has paid a claim to the lender,
- the guaranty agency has received reinsurance from ED,
- the lender did not refund the claim amount to the guaranty agency, but
- the guaranty agency refunded the reinsurance amount to ED;

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then do not report the amount in this item, A-5. As explained above, this is considered to be a case of loss of reinsurance, not insurance. Report this amount in item E-24, Unreinsured Loans Not Eligible for Cure. See the instructions for item E-24 on other changes which may need to be made to the ED Form 1130 for this situation.

Do not include any loan amounts which were cancelled in this item, whether before or after disbursement. A cancelled loan is not considered to be uninsured or unreinsured as these terms are used in the ED Form 1130.

A-6 NUMBER OF BORROWERS

Enter the number of borrowers. The number of borrowers for each loan program is a count of unduplicated social security numbers. If a borrower has loans under more than one program, count the borrower under each program. However, do not count a borrower again if the borrower refinances a Federal PLUS or Federal SLS loan already guaranteed by the agency.

Do not count borrowers whose loans were cancelled completely, whether the loan was cancelled before or after disbursement. Do not count borrowers whose loans lost insurance. However, do count borrowers whose loans lost reinsurance, but which maintained their insurance.

**A-7 NUMBER OF STAFFORD BORROWERS IN INTERIM STATUS AT
END-OF-QUARTER**

Enter the number of Stafford Loan borrowers (count of unduplicated social security numbers for that column) who are in-school or in their grace period as of the last day of the reporting period. If a borrower has both Federal Stafford and Unsubsidized Stafford loans (as defined above for columns A and E), count the borrower under both columns.

Do not include borrowers who have received an "in-school" deferment after they have entered repayment. Note that there is no interim status for Federal PLUS, Federal SLS or Federal Consolidation Loans.

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A-8 TOTAL LOAN GUARANTEES TRANSFERRED IN - AMOUNT

Enter the original principal amount of all loan guarantees transferred to this agency from other guaranty agencies. Include voluntary and involuntary transfers. A voluntary transfer is at the request of a borrower, lender or guaranty agency to the agencies involved to maintain the borrower records with one agency. Voluntary transfers may also include guarantees transferred in by a merging guaranty agency. Involuntary transfer, often referred to as "Secretary Plan" is a transfer requested by the Secretary of Education. The Secretary's plan protects the interest of the FFEL Program when a guaranty agency faces insolvency or otherwise may not be able to carry out its agreements with the Secretary.

A-9 SECRETARY'S PLAN LOAN GUARANTEES TRANSFERRED IN - AMOUNT

Enter the original principal amount of all loan guarantees transferred to this agency from other guaranty agencies. This applies only to those transfers made at the request or direction of the Secretary of Education under a plan to protect the interests of the FFEL Program when a guaranty agency from which the transfers come faces insolvency or otherwise may not be able to carry out its agreements with the Secretary.

Example: A guaranty agency is facing difficulties and provides a management plan to ED to identify and reduce loan guarantees which have a higher than normal risk of going into default. A second guaranty agency agrees to accept \$500,000 of "high risk" loan guarantees for Federal Stafford (except Unsubsidized) Loans made to borrowers attending schools in the second guaranty agency's State. The second guaranty agency received \$200,000 worth of Federal Stafford (except Unsubsidized) Loan guarantees from another guaranty agency a few years before. These \$200,000 worth of guarantees were not "Secretary's Plan" guarantees. The second guaranty agency's entries are as follows:

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Federal Stafford (except Unsub.) Item	<u>(A)</u>
A-8 Total Loan Guarantees Transferred In - Amount	\$700,000
A-9 Secretary's Plan Loan Guarantees Transferred In - Amount	\$500,000

A-10 TOTAL LOAN GUARANTEES TRANSFERRED IN - NUMBER

Enter the number of all loan guarantees transferred to this agency from another guaranty agency. This item includes the amount reported in item A-11, Secretary's Plan Loan Guarantees Transferred In - Number.

A-11 SECRETARY'S PLAN LOAN GUARANTEES TRANSFERRED IN - NUMBER

Enter the number of all loan guarantees transferred to this agency from other guaranty agencies. This applies only to those transfers made at the request or direction of the Secretary of Education under a plan to protect the interests of the FFEL Program when a guaranty agency risks insolvency or otherwise may not be able to carry out its agreements with the Secretary.

A-12 TOTAL LOAN GUARANTEES TRANSFERRED OUT - AMOUNT

Enter the original principal amount of all loan guarantees transferred to another guaranty agency. Include loan guarantees transferred under a Secretary of Education's plan as described in item A-9, Secretary's Plan Loan Guarantees Transferred In - Amount. Entries must be reported as positive numbers.

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A-13 TOTAL LOAN GUARANTEES TRANSFERRED OUT - NUMBER

Enter the number of all loan guarantees transferred from this agency to another guaranty agency. Include loan guarantees transferred under a Secretary of Education's plan as described in item A-9, Secretary's Plan Loan Guarantees Transferred In - Amount. Entries must be reported as positive numbers.

A-14 FEDERAL PLUS AND FEDERAL SLS LOANS REFINANCED - AMOUNT

Enter the principal amount of all loans refinanced under Sections 428B(e)(2) and (3), and Sections 428A(d)(2) and (3) of the HEA. Include in this amount any borrower interest converted to principal at the time of refinancing.

Do not include in this amount Federal PLUS and Federal SLS loans refinanced to secure combined payment under Sections 428B(e)(1) or 428A(d)(1) of the HEA.

Claims Section

This Section reports on claims paid to lenders on loans guaranteed by the agency.

Once a claim has been paid to a lender the principal amount of the claim plus the purchased interest paid to the lender is referred to as principal. After a claim has been paid the purchased interest is capitalized and thus becomes the amount of principal owed to the guaranty agency.

Use only the original reason for paying the claim to the lender. Default claims whose status changes to death, disability or bankruptcy after the lender is paid must be classified as defaults in this Section.

In general, if a claim for a given claim type is refunded, loses insurance, or is otherwise determined to be invalid, subtract from the appropriate items the amount of the claim and number of borrowers concerned. When a loan on which a claim has been paid loses insurance, it means the guaranty agency paid a claim to a lender, and the lender then refunded the claim amount. Any

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loan which loses insurance also loses eligibility for reinsurance. Do not report these under the reinsurance claims sections.

If a loan on which a claim was paid loses reinsurance, but not its insurance, then the claim is reported in this Section. A loan on which a claim was paid loses reinsurance, when the lender does not refund the claim amount, but ED will not pay a reinsurance claim to the guaranty agency, or if ED did pay, the guaranty agency refunded the claim amount.

The Claims Section has ten line items.

A-15 DEFAULT CLAIMS PAID - AMOUNT

Enter the amount of principal paid to lenders for default, exempted and default lender of last resort loans. A default claim is one on which the borrower failed to make an installment payment when due as defined in regulations.

If the agency receives a payment from a lender for the loan after an insurance claim was paid but prior to receipt of reinsurance, treat the payment as a refund and subtract the amount of refunded principal from this amount.

If a lender repurchases a loan which had been previously paid as a default by the agency, subtract the amount of repurchased lender principal from this amount.

If a loan is rehabilitated, subtract the amount of outstanding principal on the loan at the time the loan is rehabilitated.

If a defaulted FFEL loan is consolidated under a Federal consolidation Loan, do not subtract any amount from this item.

If a defaulted FFEL loan is consolidated under a Direct Consolidation Loan, do not subtract any amount from this item. Claims which lose insurance must also be subtracted. If ED has paid a default reinsurance claim to the guaranty agency in such a situation, then the claim amount must be reported and refunded to ED using ED Form

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1189. If the loan loses insurance in one quarter and reinsurance is refunded in another quarter, be careful that the loan amount is subtracted in only one Quarterly Report.

Example: The guaranty agency reviews a default claim for \$2,000 on which it has paid insurance and has also received reinsurance from ED. The guaranty agency determines in late March that the loan was not insurable. The guaranty agency orders the lender to refund \$2,000 and the agency subtracts \$2,000 from the amount reported in item A-15, Default Claims Paid - Amount, in its Quarterly Report for the quarter ending March 31.

The guaranty agency refunds \$2,000 in reinsurance to ED in its April filing of the ED Form 1189. The guaranty agency would not subtract another \$2,000 from item A-15 when it files its quarterly report for the quarter ending June 30.

If the loan loses reinsurance, but not insurance, then leave this amount unchanged.

Example: Assume that Federal Stafford Loan (reported in column A) default claims paid (principal) were \$6,020 and that a claim from a previous period was repurchased for \$1,020. The current quarter's entry is as follows:

<u>Item</u>	Federal Stafford (except Unsub.)	Federal PLUS	Federal SLS	Federal Consol	Unsub Stafford
	<u>(A)</u>	<u>(B)</u>	<u>(C)</u>	<u>(D)</u>	<u>(E)</u>
A-15 Default Claims Paid - Amount					
	\$ 5,000	\$ 0	\$ 0	\$ 0	\$ 0

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A-16 DEFAULT CLAIMS PAID - NUMBER

Enter the number of borrowers related to the default claims listed under item A-15, Default Claims Paid - Amount. Subtract from this the number of borrowers whose loans were repurchased, rehabilitated or lost insurance.

If a defaulted FFEL loan is consolidated under a Federal Consolidation Loan, do not subtract the number of borrowers whose loans were consolidated.

If a defaulted FFEL loan is consolidated under a Direct Consolidation Loan, do not subtract the number of borrowers whose loans were consolidated.

A-17 BANKRUPTCY CLAIMS PAID - AMOUNT

Enter the amount of principal paid to lenders for all types of bankruptcy claims (including Chapters 7, 11, 12, and 13).

If the agency receives a payment from a lender for the loan after an insurance claim was paid, treat the payment as a refund and subtract the amount of refunded lender principal from this amount. However, if the agency receives a payment at the direction of the Bankruptcy Court during the course of the bankruptcy proceedings, then treat it as a collection and report it on the ED Form 1189 and in the following items on this report, as applicable:

- A-25, Total Collected By Guaranty Agency,
- Column F, Collected, on the appropriate bankruptcy line items in Part B, Paid Claims Portfolio,
- E-6, Agency Collections on Claims Paid,
- E-13, Collections Submitted to ED, and
- E-19, Collections Due to ED.

If the loan is not discharged by the Bankruptcy Court, then the guaranty agency must arrange for a lender to repurchase it. Subtract the amount of repurchased principal from this amount. If ED has paid a bankruptcy reinsurance claim to the guaranty agency on the loan, then

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the reinsurance claim amount must be reported and refunded to ED using ED Form 1189.

If the borrower subsequently defaults after the repurchase, then treat the loan like any other default and report the amount in items A-15, Default Claims Paid - Amount, and in other items, as appropriate, on the ED Form 1130. A guaranty agency may also file with ED for default reinsurance on the loan using ED Form 1189.

Do not include in this item claims paid as defaults where the borrower files for bankruptcy after the default claim was paid. Report such default claims in items A-15, Default Claims Paid - Amount.

A-18 BANKRUPTCY CLAIMS PAID - NUMBER

Enter the number of borrowers for bankruptcy claims listed under A-17, Bankruptcy Claims Paid - Amount. Subtract from this number those borrowers whose entire bankruptcy claim amount is subtracted from item A-17.

A-19 DEATH AND DISABILITY CLAIMS PAID - AMOUNT

Enter the amount of principal paid to lenders for death, and for total and permanent disability claims. A death claim is one on which the loan is cancelled due to the borrower's death. This includes a Federal PLUS loan death claim paid to a lender when a student, on whose behalf a parent received the Federal PLUS loan, dies. A disability claim is one on which the loan is cancelled due to the total and permanent disability of the borrower.

If a lender repurchases a loan which had been previously paid as a death or disability claim by the agency (that is, the agency paid an invalid claim), subtract the amount of repurchased principal from this amount. The lender may also repurchase the loan if a borrower reaffirms a debt previously paid as a disability claim.

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A-20 DEATH AND DISABILITY CLAIMS PAID - NUMBER

Enter the number of borrowers for death and disability claims listed in item A-19, Death and Disability Claims Paid - Amount.

A-21 CLOSED SCHOOLS CLAIMS PAID - AMOUNT

Enter the amount of principal paid to lenders for closed schools claims. A closed schools claim is one on which a claim is paid to a lender because the student was unable to complete the program in which the student was enrolled due to the closure of the institution.

A-22 CLOSED SCHOOLS CLAIMS PAID - NUMBER

Enter the number of borrowers for closed schools claims listed in item A-21, Closed Schools Claims Paid - Amount.

A-23 FALSE CERTIFICATION CLAIMS PAID - AMOUNT

Enter the amount of principal paid to lenders for false certification claims. A false certification claim is one on which a claim is paid to a lender because the student's eligibility under the FFEL Program was falsely certified by the eligible institution of higher education.

A-24 FALSE CERTIFICATION CLAIMS PAID - NUMBER

Enter the number of borrowers for false certification claims listed in item A-23, False Certification Claims Paid - Amount.

Collections Section (Principal, Interest and Fees)

This Section reports collections on FFEL Program loans on which insurance claims have been paid to lenders. For each line enter the total amount collected from borrowers, for that collection activity on loans on which insurance has been paid to the lender, even if the loan is not eligible for reinsurance from ED.

The Collections Section has three line items.

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A-25 TOTAL COLLECTED BY GUARANTY AGENCY

Enter the total amount collected by "in-house" guaranty agency operations on loans on which claims have been paid, after deducting the amount of bad checks and refunds paid to borrowers for overpayments. Include any monies collected by the agency after loans were assigned to ED for the Federal Offset Program (FOP).

The amount collected includes principal, purchased interest, accrued interest, fees, penalties, supplemental preclaims assistance (SPA) charges and any other charges.

Include the outstanding principal, accrued interest and allowable collection costs on:

- Rehabilitated loans at the time of rehabilitation.
- Defaulted FFEL Consolidation loans at the time of payoff, and
- Defaulted FFEL loans consolidated by the Direct Loan Program at the time of payoff.

Include only those SPA charges incurred for loans, which became delinquent before November 5, 1990. SPA charges which were reimbursed by ED and which were incurred for loans, which became delinquent on or after November 5, 1990 are not a debt chargeable to the borrower, and therefore cannot be collected from the borrower. Also, SPA charges do not apply to the Unsubsidized Stafford column because Unsubsidized Stafford Loans for Middle-Income Borrowers did not exist in 1990. See the explanation for column D, Pre-11/90 SPA in Part B, Paid Claims Portfolio, for a further explanation of SPA.

Report in this item any money collected from a school, such as a partial refund of tuition or a refund of room and board, which the school owed the defaulted borrower.

Include in this item amounts received at the direction of the Bankruptcy Court during the course of the bankruptcy proceedings, and amounts received when the proceedings are concluded and the loan is discharged.

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If the bankruptcy proceedings are concluded and the loan is not discharged, then the guaranty agency must arrange for a lender to repurchase the loan and the agency must refund any bankruptcy reinsurance payment it received from ED on ED Form 1189. Do not report such refunds in this item.

If the agency receives a payment from a lender for a loan after a claim was paid, but before requesting reinsurance, treat the payment as a refund.

Exclude from this item any amounts refunded from the lender after reinsurance was paid. Subtract these amounts also from the appropriate item in the Claims Section of this Part.

A-26 TOTAL COLLECTED BY AGENTS OF THE GUARANTY AGENCY

Enter in the appropriate column the total amount collected by agents of the guaranty agency (e.g., attorneys, collection agency personnel, or other contractual parties) on loans on which reinsurance has been requested or paid, after deducting the amount of bad checks and refunds paid to borrowers for overpayments. The amount collected includes principal, purchased interest, accrued interest, fees, penalties, supplemental preclaims assistance (SPA) charges and any other charges.

Include the outstanding principal, accrued interest and allowable collection costs on:

- Rehabilitated loans at the time of rehabilitation.
- Defaulted FFEL Consolidation loans at the time of payoff, and
- Defaulted FFEL loans consolidated by the Direct Loan Program at the time of payoff.

Include only those SPA charges incurred for loans, which became delinquent before November 5, 1990. SPA charges which were reimbursed by ED and which were incurred for loans, which became delinquent on or after November 5, 1990 are not a debt chargeable to the borrower, and therefore cannot be collected from the borrower.

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Also, SPA charges do not apply to Unsubsidized Stafford column because Unsubsidized Stafford Loans for Middle-Income Borrowers did not exist in 1990. See the explanation for column D, Pre-11/90 SPA in Part B, Paid Claims Portfolio, for a further explanation of SPA.

If the agent receives a payment from a lender for a loan after a claim was paid, but before requesting reinsurance, treat the payment as a refund. Do not report it in this item. Instead, subtract the amount of re-funded principal from the appropriate item in the Claims Section of this Part.

A-27 TOTAL COLLECTED THROUGH IRS OFFSET

Enter the total amount collected by the U.S. Internal Revenue Service under the Federal Offset Program. This program deducts all or part of a borrower's income tax refund to help pay off a borrower's defaulted FFEL Program loan. If the IRS makes an offset against an income tax refund, the borrower is charged a processing fee. A guaranty agency must credit IRS collections in the following order:

- 1st: IRS processing fee,
- 2nd: accrued interest, and
- 3rd: principal. This includes all purchased interest because purchased interest must be capitalized by the guaranty agency.

Interest may not accrue on processing fees. Include the amount of IRS processing fees collected in the total collected. Federal Offset cannot be used to collect supplemental preclaims assistance charges or other charges, such as, attorney fees.

If the IRS offset too much of a defaulter's refund, or offset a portion of the refund attributable to the defaulter's spouse on a joint income tax return (injured spouse claim), then this amount must be refunded. If the entire amount of the offset is refunded due to an injured spouse claim, then the processing fee must also be refunded. Deduct refunds of Federal Offset for borrower overpayments and injured spouse claims from the total collected.

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Examples: An agency assigns a \$1,000 balance for principal and accrued interest on a borrower's account for a Federal Stafford Loan (reported in column A) to ED. When the balance is reported to the IRS, it is increased by the amount the IRS charges to process an offset, \$7 in this example. The IRS tracks the balance reported, \$1,007. If an offset of \$500 is processed, the agency adjusts the borrower's account first by debiting and crediting the \$7 fee. The remaining \$493 is applied to accrued interest and then to principal. The entry is as follows:

	Federal Stafford (except Unsub.)	Federal PLUS	Federal SLS	Federal Consol- idation	Unsubsi- dized Stafford
<u>Item</u>	<u>(A)</u>	<u>(B)</u>	<u>(C)</u>	<u>(D)</u>	<u>(E)</u>

A-27 Total Collected Through IRS Offset

\$ 500	\$ 0	\$ 0	\$ 0	\$ 0
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An agency assigns a \$1,000 balance of principal and accrued interest on a borrower's account for a Federal PLUS Loan to ED. When the balance is reported to the IRS, it is increased by a processing fee of \$7, bringing the balance tracked by the IRS to \$1,007. The IRS processes an offset of \$500. A week before the offset occurs, the agency receives a \$600 payment from the borrower. The agency adjusts the borrower's account first by debiting and crediting the \$7 fee. The agency then applies \$400 of the offset to the remaining balance in the account for accrued interest and then principal. The agency refunds the remaining \$93 to the borrower. The entry is as follows:

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<u>Item</u>	Federal Stafford (except Unsub.) <u>(A)</u>	Federal PLUS <u>(B)</u>	Federal SLS <u>(C)</u>	Federal Consol- idation <u>(D)</u>	Unsubsi- dized Stafford <u>(E)</u>
A-27 Total Collected Through IRS Offset					
	\$ 0	\$ 407	\$ 0	\$ 0	\$ 0

Paid in Full Section

This section reports on FFEL Program loans which have been paid in full by the borrower. Please refer to the instructions for item E-23 of the annual report for additional information.

A-28 LOANS PAID IN FULL

Enter the cumulative original principal amount of all loans that have been paid in full since the beginning of the agency's FFEL Program participation.

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V. PART B: PAID CLAIMS PORTFOLIO

This Part shows the status of the agency's FFEL Program loan guarantees on which claims have been paid to lenders, whether or not the claims are eligible for reinsurance.

All amounts and numbers reported for each line item (claim category) must reflect their end-of-quarter status, that is, the number or amount on the last day of the quarter being reported. Include all claims paid since the beginning of the agency's FFEL Program participation.

A claim may not be entered in more than one line item. For example, a claim entered under item B-13, Unresolved, cannot also be entered under item B-1, Bankruptcy, Other. A claim whose status changes from item B-13, Unresolved to item B-1, Bankruptcy, Other during the quarter would be reported only under item B-1, Bankruptcy, Other. If a borrower has multiple claims (loans), each with a different status, report each status separately, even though it means the borrower will be counted more than once.

The claims reported here reflect the current claim status, not the original claim reason. The status of a claim may change several times before its final disposition. All line items must be completed for any claims owned by the agency. The last two items in each section -- Assigned to ED, Temporary, and Assigned to ED, Permanent must be completed only for claims, which have been assigned to ED.

Include in the appropriate line items and columns the numbers and amounts for loans, which have been repurchased, rehabilitated, consolidated through Federal Consolidation or consolidated through the Direct Loan Program. Also adjust other items in this form and in ED Form 1189 when this or any other change in status occurs which would effect these other items. Examples of such changes are shown in the instructions for items B-1, B-2 and B-3 which explain the adjustments which must be made when a loan in bankruptcy status is not discharged by the Bankruptcy Court.

Enter the Guaranty Agency State Name, the Guaranty Agency Code and the Quarter Ending date according to the instructions under Chapter III, Cover Page and Page Headings.

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The Paid Claims Portfolio Part has six columns and five sections. The columns are the same for each section. Except for the Federal PLUS and the Federal Consolidation Sections, each section has fifteen line items and the items are the same for each section. The Federal PLUS and the Federal Consolidation Sections have only thirteen line items. These thirteen items are the same as for the other sections. Two items from the other sections, Closed Schools and False Certification, are to be reported in Line Item B-25 and/or B-53 Collection Exclusions as appropriate.

For the items in Part B, enter the information requested in each column using the following definitions:

Column A - Number

The number of borrowers, not the number of individual claims, in the claim category. This is based on a count of unduplicated borrower social security numbers.

Example: A guaranty agency paid three separate default claims to a lender for three separate Federal Stafford loans. The first two loans were made to a borrower whose Social Security Number is 111-11-1111. The third loan was made to a borrower whose Social Security Number is 222-22-2222. All three claims are now in repayment. The entry for column A, Number, of item B-11, In Repayment, in the Federal Stafford (except Unsubsidized Stafford) Section is as follows:

-NUMBER-
(A)

B-11 IN REPAYMENT # 2

Column B - Amount Paid

Report the dollar amount of principal paid to lenders for all claims in the category. Deduct from this amount refunds, repurchases and overpayments. For loans guaranteed after October 1, 1993, this item will reflect the defaulter's liability to the guaranty agency.

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Column C - Accrued Interest

The dollar amount of interest calculated by the guaranty agency (not the lender) on the loan principal of a claim for collection from the borrower from the date the insurance claim was paid to a lender through the end of the reporting period (even if this interest has already been paid by the borrower). Principal includes all purchased interest because purchased interest must be capitalized by the guaranty agency.

Column D - Pre-11/90 SPA

Report the dollar amount of supplemental preclaim assistance (SPA) charges that are reimbursable or have been reimbursed by ED for the claim category. Include only those SPA charges incurred for loans, which became delinquent before November 5, 1990.

SPA charges which were reimbursed by ED and which were incurred for loans, which became delinquent on or after November 5, 1990 are not a debt chargeable to the borrower and therefore cannot be collected from the borrower.

SPA is assistance given to lenders by the guaranty agency to work with a delinquent borrower in order to prevent the borrower from defaulting. Refer to the appropriate sections of the HEA, regulations and policy bulletins for specifics on what constitutes SPA activities, how to calculate SPA, and permissible charges to borrowers for SPA costs. In particular, refer to the instructions to the ED Form 1189 because this form is used by the guaranty agency to request reimbursement for SPA activities. Also refer to Student Financial Assistance Programs bulletin G-87-103 for an explanation of how to calculate SPA.

This column does not apply to the Unsubsidized Stafford Section, items B-59 through B-73, because Unsubsidized Stafford Loans for Middle-Income Borrowers did not exist in 1990. The Unsubsidized Stafford program did not begin until 1992.

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Column E - Other Charges

The dollar amount of fees, penalties, collection charges, and any other charges which have accrued for any claim in the category.

Include in this amount IRS processing fees charged under the Federal Offset Program less any processing fees refunded.

Do not include supplemental preclaim assistance (SPA) charges for loans, which became delinquent on or after November 5, 1990 in this column. SPA charges which were reimbursed by ED and which were incurred for loans, which became delinquent on or after November 5, 1990 are not a debt chargeable to the borrower, and therefore cannot be collected from the borrower.

SPA charges incurred for loans, which became delinquent before November 5, 1990 are reported in column D, Pre-11/90 SPA.

Column F - Collected

The sum of the dollar amount collected for all claims in the category. This amount includes principal, purchased interest (since purchased interest must be capitalized by the guaranty agency), accrued interest, fees, penalties, SPA charges, collection charges and any other charges. In addition, this amount includes any monies collected: by agents of the guaranty agency, by the U.S. Internal Revenue Service on accounts assigned to ED under the Federal Offset Program, and at the direction of the Bankruptcy Court.

Also included are the fees collected under the Federal Offset Program. Deducted from this amount are any refunds such as those for Federal Offset overpayments.

In addition to reporting collections in this column, report them on the ED Form 1189 and in the following other sections and items of this report, as appropriate:

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- the Collections Section of Part A, Guarantee Activity,
- E-6, Agency Collections on Claims Paid,
- E-13, Collections Submitted to ED, and
- E-19, Collections Due to ED.

In each section, enter the information requested for the claims paid under the particular loan program, using the program definitions which are listed in the Introduction section.

B-1 BANKRUPTCY, OTHER

Enter the number and the dollar amount of those claims:

- paid to lenders as Chapter 7, 11, 12, or other than Chapter 13 bankruptcies and which are under stay because they are still under the jurisdiction of the Bankruptcy Court,
- paid to lenders as Chapter 7, 11, 12, or other than Chapter 13 bankruptcies and the debt was subsequently discharged by the Bankruptcy Court,
- paid to lenders as defaults where collection of the debt is under a stay issued by the Bankruptcy Court because the borrower filed for bankruptcy under Chapter 7, 11, 12, or a chapter other than Chapter 13 of the Bankruptcy Code,
- paid to lenders as defaults where the debt was subsequently discharged in Chapter 7, 11, 12, or other than Chapter 13 bankruptcy.

ED is entitled to 100 percent of any collections, which were received at the direction of the Bankruptcy Court during the bankruptcy proceedings. Report such collections on the ED Form 1189 and in the following items on this report, as applicable:

- column F, Collected, of this item,
- A-25, Total Collected By Guaranty Agency,
- E-6, Agency Collections on Claims Paid,
- E-13, Collections Submitted to ED, and
- E-19, Collections Due to ED.

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If bankruptcy proceedings are concluded and the loan is not discharged by the Bankruptcy Court, then stop reporting the loan in this item.

If the loan is not discharged and the claim was paid originally to a lender as a bankruptcy claim, then the guaranty agency must arrange for a lender to repurchase the loan. The loan reverts to "in repayment" status with the lender. If the borrower does not repay the loan after the repurchase, then the loan could go into default. The guaranty agency could pay a default claim on it and file a default reinsurance claim using ED Form 1189. This assumes all applicable lender and agency policies concerning defaulted loans were followed.

In addition to arranging for the repurchase of a loan which is not discharged in bankruptcy, the guaranty agency must decrease the amounts reported on the ED Form 1130 for the following items:

- A-17, Bankruptcy Claims Paid - Amount,
- A-18, Bankruptcy Claims Paid - Number,
- the applicable item in the Other Bankruptcies Under Stay (Except Chapter 13) Section of Part C, Federal Receivable Data, and
- E-9, Total Claims.

If:

- the loan was originally paid to the lender as a default claim,
- then the borrower filed for bankruptcy, and
- then the bankruptcy proceedings are concluded and the loan is not discharged;

then the guaranty agency must change the amounts reported on the ED Form 1130 as follows:

- increase (by the amounts decreased in this item, B-1) the amounts reported in item B-13, Unresolved, or another item in the Section, as appropriate,
- decrease the amount reported in the applicable item in the Other Bankruptcies Under Stay (Except Chapter 13) Section of Part C, Federal Receivable Data, and

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- increase the amount reported in the applicable items of the other three sections of Part C, Federal Receivable Data.

In this case, the guaranty agency would continue to hold the loan and attempt to collect on it like any other default claim.

If the loan was originally paid to the lender and the guaranty agency as a default claim, and then the borrower filed for bankruptcy, then:

- if default reinsurance was paid at 100 percent, the guaranty agency must report the change in status on the ED Form 1189, or
- if default reinsurance was paid at 90 percent or 80 percent, the guaranty agency may request supplemental reinsurance for the remaining 10 percent or 20 percent using the ED Form 1189.

Subsequently, if the bankruptcy proceedings are concluded and the loan is not discharged, then the guaranty agency must:

- refund to ED any supplemental reinsurance payment it received through the ED Form 1189, and
- decrease the amount reported in item E-4, Federal Reinsurance and SPA Payments, by the amount of the supplemental reinsurance payment refunded to ED.

B-2 BANKRUPTCY, ACTIVE - CHAPTER 13

Enter the number and the dollar amount for those claims for which:

- the borrower has filed for relief under Chapter 13 of the U.S. Bankruptcy Code,
- the Bankruptcy Court has issued a stay on further collection activities by the borrower's creditors, and
- the debt has not been discharged or dismissed in bankruptcy.

Enter the claim here even if the lender originally filed a default claim on the loan.

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If the loan was originally paid to the lender and the guaranty agency as a default claim, and the borrower subsequently filed for bankruptcy, then:

- if default reinsurance was paid at 100 percent, the guaranty agency must report the change in status on the ED Form 1189, or
- if default reinsurance was paid at 90 percent or 80 percent, the guaranty agency may request supplemental reinsurance for the remaining 10 percent or 20 percent using the ED Form 1189.

ED is entitled to 100 percent of any collections, which were received at the direction of the Bankruptcy Court during the bankruptcy proceeding. Report such collections on the ED Form 1189 and in the following items on this report, as applicable:

- column F, Collected, of this item,
- A-25, Total Collected By Guaranty Agency,
- E-6, Agency Collections on Claims Paid,
- E-13, Collections Submitted to ED, and
- E-19, Collections Due to ED.

B-3 BANKRUPTCY, CLOSED - CHAPTER 13

Enter the number and the dollar amount of those claims classified as Chapter 13 bankruptcies where the Bankruptcy Court has discharged the remaining portion of the borrower's debt. Once discharged, decrease the amounts reported in item B-2, Bankruptcy, Active - Chapter 13, and increase them by the same amount in this item.

If the bankruptcy proceedings are concluded and the Bankruptcy Court directs that some of the borrower's assets be used to pay part of the amount owed on the loan, with the remainder of the loan being discharged, then ED is entitled to 100 percent of any collections, which were received. Report such collections on the ED Form 1189 and in the following items on this report, as applicable:

- column F, Collected, of this item,
- A-25, Total Collected By Guaranty Agency,
- E-6, Agency Collections on Claims Paid,

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- E-13, Collections Submitted to ED, and
- E-19, Collections Due to ED.

If the loan is not discharged and the claim was paid originally to a lender as a bankruptcy claim, then the guaranty agency must arrange for a lender to repurchase the loan. The loan reverts to "in repayment" status with the lender. If the borrower does not repay the loan after the repurchase, then the loan could go into default. The guaranty agency could pay a default claim on and file a default reinsurance claim using ED Form 1189. This assumes all applicable lender and agency policies concerning defaulted loans were followed.

In addition to arranging for the repurchase of a loan which is not discharged in bankruptcy, the guaranty agency must decrease the amounts reported on the ED Form 1130 for the following items:

- A-17, Bankruptcy Claims Paid - Amount,
- A-18, Bankruptcy Claims Paid - Number,
- E-9, Total Claims.

If:

- the loan was originally paid to the lender as a default claim,
- the borrower subsequently filed for bankruptcy, and
- the bankruptcy proceedings are concluded and the loan is not discharged;

then the guaranty agency must change the amounts reported on the ED Form 1130 for the following items:

- increase (by the amounts decreased in item B-2, Bankruptcy, Active - Chapter 13) the amounts reported in item B-13, Unresolved, or another item in the Section, as appropriate, and
- increase the amount reported in the applicable items of the Accounts Not Scheduled, the Accounts Scheduled or Rescheduled, and the Current Quarter Accrued Interest Sections of Part C, Federal Receivable Data.

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In this case, the guaranty agency would continue to hold the loan and attempt to collect on it like any other default claim.

If the loan was originally paid to the lender and the guaranty agency as a default claim, and the borrower subsequently filed for bankruptcy, then:

- if default reinsurance was paid at 100 percent, the guaranty agency must report the change in status on the ED Form 1189, or
- if default reinsurance was paid at 90 percent or 80 percent, the guaranty agency may request supplemental reinsurance for the remaining 10 percent or 20 percent using the ED Form 1189.

Subsequently, if the bankruptcy proceedings are concluded and the loan is not discharged, then the guaranty agency must:

- refund to ED any supplemental reinsurance payment it received through the ED Form 1189, and
- decrease the amount reported in item E-4, Federal Reinsurance and SPA Payments, by the amount of the supplemental reinsurance payment refunded to ED.

B-4 DEATH AND DISABILITY

Enter the number and the dollar amount for those claims classified as death, or total and permanent disability. A death claim is one on which the loan is cancelled due to the borrower's death. This includes a Federal PLUS loan death claim paid to a lender when a student, on whose behalf a parent received the Federal PLUS loan, dies. A disability claim is one on which the loan is cancelled due to the total and permanent disability of the borrower.

B-5 CLOSED SCHOOLS

Enter the number and the dollar amount for those claims classified as closed schools claims. A closed schools claim is one where the student was unable to complete the program in which the student was enrolled due to the closure of the institution.

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This is only a general description of closed schools claims. Refer to the appropriate regulations and policy bulletins for specifics.

B-6 FALSE CERTIFICATION

Enter the number and the dollar amount for those claims classified as false certification claims. A false certification claim is one where the student's eligibility under the FFEL Program was falsely certified by the eligible institution of higher education.

This is only a general description of false certification claims. Refer to the appropriate regulations and policy bulletins for specifics.

B-7 COLLECTION TERMINATION

Enter the number and the dollar amount for those claims on which the agency has decided to terminate collection activities and not to make any further attempt to collect the amount due. All collection terminations must meet agency standards, which have been approved by ED. If the agency reaches an agreement with the borrower to pay part of the amount due and terminates collection of the rest, then report the account in item B-8, Compromise. The amount for which collection is terminated is not reported, only the status of the various parts of the account (e.g., accrued interest, pre-11/90 SPA) at the time collection action is terminated.

B-8 COMPROMISE

Enter the number and the dollar amount for those claims on which the agency has reached an agreement with the borrower to pay part of the amount due and not to make any further attempt to collect the remainder. All compromises must meet agency standards, which have been approved by ED. The amount compromised is not reported, only the balance due for various parts of the account (e.g., accrued interest, pre-11/90 SPA) at the time of the compromise.

Example: Assume a defaulter offers to pay \$2,500 on an account with the following balance:

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<u>Item</u>	<u>Amount</u>
Original Claim Paid	\$2,614
Accrued Interest	200
SPA Charges	0
Other Charges	<u>12</u>
Total Amount Due	\$2,826

The agency accepts the offer and decides it would not be cost effective to collect the remaining \$326 balance (\$2,826 - \$2,500).

The entries* for B-8, Compromise, are as follows:

<u>Column</u>	<u>Number/ Amount</u>
(A) Number	#1
(B) Amount Paid	\$2,614
(C) Accrued Interest	200
(D) Pre-11/90 SPA	0
(E) Other Charges	12
(F) Collected	2,500

* \$326 (\$2,826 - \$2,500) is the amount never collected as a result of the compromise. This amount is not reported on ED Form 1130.

B-9 PAID-IN-FULL

Enter the number and the dollar amount for those claims that are paid-in-full. A paid-in-full account is one on which the defaulter has paid the entire amount due, or on which a balance of \$25.00 or less remains. An account with a balance over \$25.00 on which the agency has made a unilateral decision to terminate collection activities is reported in item B-7, Collection Termination.

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Include in this line item the amounts for repurchased loans, rehabilitated loans, defaulted loans consolidated under the FFEL Program and defaulted loans consolidated under the Federal Direct Loan Program.

B-10 REFERRED FOR LITIGATION

Enter the number and dollar amount for those claims which have been referred to legal counsel for litigation to collect the borrower's debt, and less than two payments have been made by or on behalf of the borrower within the quarter being reported. A claim reported under "Referred for Litigation" on previous reports that has received two payments (regardless of the amount of each payment) during the quarter being reported must be reported under item B-11, In Repayment. After a judgment is entered, the account must be reclassified and reported in item B-9, Paid-In-Full, item B-11, In Repayment, item B-13, unresolved, or in another appropriate item. A claim under the jurisdiction of a Bankruptcy Court is reported in item B-1, Bankruptcy, Other, or item B-2, Bankruptcy, Active - Chapter 13, as appropriate.

B-11 IN REPAYMENT

Enter the number and the dollar amount for those claims that are in repayment. To be classified in this category, a borrower must have submitted at least two payments during the quarter being reported, regardless of the amount of the payment.

B-12 COLLECTION EXCLUSIONS

Enter the number and dollar amount for those claims that are excluded from collection. Examples of collection exclusions are a case referred to legal counsel for criminal action and a case where collection action has been suspended at the request of the ED Inspector General. All exclusions should be temporary. Accounts currently reported in this item should eventually be transferred to another item (e.g., B-7, Collection Termination, or B-11, In Repayment). Claims referred to legal counsel for collection action only should be reported in item B-10, Referred for Litigation. Closed school and false certification claims were sometimes considered collection exclusions previously, but they

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are now are separate items. They should be reported in item B-5, Closed Schools and item B-6, False Certification.

B-13 UNRESOLVED

Enter the number and dollar amount for those claims that do not fall into any other category. An account is reclassified from unresolved to another category depending on the result of collection or other activity.

Example: Assume that at the beginning of the reporting period, the agency has 25 claims in the item B-13, Unresolved, and no accounts in the item B-10, Referred for Litigation. During the reporting period, the agency sends the 25 claims to the State Attorney General for legal action. The agency does not add any other claims to either item B-10 or item B-13 during the reporting period. The entries are as follows:

<u>Item</u>	<u>*(A)</u>	<u>_(B)_</u>	<u>_(C)_</u>	<u>_(D)_</u>	<u>_(E)_</u>	<u>_(F)_</u>
B-10 Referred for Litigation -						
	#25	\$31,200	\$2,000	\$4,000	\$200	\$ 0
B-13 Unresolved -						
	# 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

*Columns:	(A) Number	(D) Pre-11/90 SPA
	(B) Amount Paid	(E) Other Charges
	(C) Accrued Interest	(F) Collected

B-14 ASSIGNED TO ED, TEMPORARY

Enter the number and dollar amount for those claims temporarily assigned to ED (i.e., under the Federal Offset Program). Under column F, Collected, include the total amount of monies collected both before and during temporary assignment to ED, including amounts collected under Federal Offset Program). Refer to the various ED policy bulletins

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to determine when an account ceases to be temporarily assigned to ED.

Temporary assignments to ED ceased in 1993, therefore this item should always be zero.

B-15 ASSIGNED TO ED, PERMANENT

Enter the number and dollar amount for those debts permanently assigned to ED. Under column F, Collected, include the total amount of monies collected before assignment (***voluntary and involuntary***) to ED. Once a claim has been assigned, the information for that claim for all columns will not change. Report only on those debts that have been accepted by ED's Debt Collection Service.

Federal PLUS Section

Enter the information for the Federal PLUS program in items B-16 through B-28. Use the instructions for the same line items from the Federal Stafford (except Unsubsidized Stafford) Section, taking into account any differences between the Federal Stafford and the Federal PLUS loan programs.

Federal SLS Section

Enter the information for the Federal SLS program in items B-29 through B-43. Use the instructions for the same line items from the Federal Stafford (except Unsubsidized Stafford) Section, taking into account any differences between the Federal Stafford and the Federal SLS loan programs.

Federal Consolidation Section

Enter the information for the Federal Consolidation Loan program in items B-44 through B-56. Use the instructions for the same line items from the Federal Stafford (except Unsubsidized Stafford) Section, taking into account any differences between the Federal Stafford and the Federal Consolidation loan programs.

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Unsubsidized Stafford Section

Enter the information for the Unsubsidized Stafford Loans for Middle-Income Borrowers program in items B-57 through B-71. Use the instructions for the same line items from the Federal Stafford (except Unsubsidized Stafford) Section, taking into account any differences between the "regular" Federal Stafford and the Unsubsidized Stafford loan programs.

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VI. PART C: FEDERAL RECEIVABLE DATA

This Part report the amounts owed to ED on accounts held by the guaranty agency, including an estimate of the age of these amounts. This information is needed in order to adjust ED's financial records and comply with federal government financial reporting requirements. When reported on the annual report totals must be supported by auditable financial statements.

This Part only concerns FFEL Program loans on which claims have been paid to lenders, and reinsurance has been paid to the guaranty agency. This differs from Part A, Guarantee Activity, which reported on loans even if they were not eligible for reinsurance.

Enter the Guaranty Agency State Name, the Guaranty Agency Code and the Quarter Ending date according to the instructions under Chapter III, Cover Page and Page Headings.

The Federal Receivable Data Part has four sections.

Accounts Not Scheduled Section

This Section reports on accounts held by the guaranty agency of borrowers on whose loans:

- ED has paid reinsurance on the loan, and
- on which the guaranty agency has not arranged a repayment schedule with the borrower.

This Section includes all loans since the beginning of the agency's FFEL Program participation on which default, exempted and default lender-of-last-resort claims have been paid.

Claims permanently assigned to ED are not to be reported in this Section because the agency no longer holds the account.

Do not include numbers or amounts for repurchased, rehabilitated loans, defaulted loans consolidated under FFEL Program or defaulted loans consolidated under the Federal Direct Loan Program.

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This Section does not include loans on which the following types of claims have been paid:

- bankruptcy (Chapter 13)
- death and disability
- bankruptcy (other than Chapter 13)
- closed schools
- false certification

The receivables for Chapter 7, 11, 12 and any other type of bankruptcy other than Chapter 13 are reported in the Other Bankruptcies Under Stay (Except Chapter 13) Section of this Part. ED currently does not collect receivable information on the other types of claims.

All entries must reflect their end-of-quarter status, that is, the number or amount on the last day of the quarter being reported. Report the outstanding balance only on that portion of an account, which is owed to ED, based upon the account's applicable reinsurance reimbursement rate of **100, 98, 90, 88, 80 or 78** percent. Though the guaranty agency may estimate the outstanding balance for each aging category, the sum of each column must accurately reflect the total Federal Receivable at the agency at the end of the quarter.

The Accounts Not Scheduled Section has three columns and ten line items. For each of the items in this Section, enter the information requested in each column using the following definitions:

Column A - Number of Borrowers

The number of borrowers with outstanding accounts where part or all of the amount the borrower owes is owed to ED at present. This is based on a count of unduplicated borrower social security numbers. It is not the number of individual claims paid by the guaranty agency.

Example: A guaranty agency paid three separate default claims for three separate Federal Stafford loans. The first two loans were made to a borrower whose Social Security Number is 111-11-1111. The third loan was made to a borrower whose Social Security Number is 222-22-2222. All three claims have not been scheduled and are classified as being 1 - 30 days delinquent. The entry for

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column A, Number of Borrowers, of item C-2, 1 - 30 Days, in the Accounts Not Scheduled Section is as follows:

	Number of -Borrowers- (A)
C-2 1 - 30 Days	# 2

Column B - Total Receivable (Except Accrued Interest)

The outstanding dollar amount for all accounts in a given category for:

- principal (which includes all purchased interest because purchased interest must be capitalized by the guaranty agency) and fees, penalties, collection charges, and any other charges which have accrued on the account.

Charges can include IRS processing fees charged under the Federal Offset Program but not yet collected. However, such fees are usually collected immediately when a Federal Offset is performed.

Do not include in this amount:

- the reinsurance complement, if the reinsurance claim was paid at less than 100 percent.

Column C - Accrued Interest

The dollar amount of accrued interest calculated by the guaranty agency (not the lender) on the loan principal of a claim for collection from the borrower. This column is the outstanding interest calculated on the principal from the time the insurance claim was paid to a lender through the ending date of the reporting period. Principal includes all purchased interest because purchased interest must be capitalized by the guaranty agency.

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C-1 NOT DELINQUENT

through

C-10 OVER 3 YEARS

The number of days in each line item refers to the number of days that the borrower is delinquent on the repayment schedule established by the lender before the guaranty agency's payment of the lender's claim.

Since a claim is usually not paid to a lender until after 180 days of delinquency, ED anticipates that zeros (0's) will usually be entered for items C-1, Not Delinquent, through C-6, 121 - 180 Days. An exception could be an exempted claim.

Accounts Scheduled or Rescheduled Section

This Section reports on accounts held by the guaranty agency of borrowers on whose loans:

- ED has paid reinsurance on the loan, and
- on which the guaranty agency has arranged a repayment schedule with the borrower.

An account is considered scheduled if the borrower defaulted, but subsequently agreed to a repayment schedule with the guaranty agency. An account is considered rescheduled also if the borrower did not comply with a previously arranged repayment schedule but then agrees to a new schedule. Finally, an agency may establish a repayment schedule without the borrower's consent if the agency has reason to believe that the schedule will be met.

This Section includes all loans since the beginning of the agency's FFEL Program participation on which default and exempted claims have been paid to lenders.

Claims temporarily assigned to ED, i.e., under Federal Offset Program (FOP), must be reported in this Section. Claims permanently assigned to ED are not to be reported in this Section because the agency no longer holds the account.

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Do not include numbers or amounts for repurchased, rehabilitated loans, defaulted loans consolidated under FFEL Program or defaulted loans consolidated under the Federal Direct Loan Program.

This Section does not include loans on which the following types of claims have been paid:

- bankruptcy (Chapter 13)
- death and disability
- bankruptcy (other than Chapter 13)
- closed schools
- false certification

The receivables for Chapter 7, 11, 12 and any other type of bankruptcy other than Chapter 13 are reported in the Other Bankruptcies Under Stay (Except Chapter 13) Section of this Part. The other types of claims do not create Federal Receivables and are therefore not reported in this Section.

All entries must reflect their end-of-quarter status, that is, the number or amount on the last day of the quarter being reported. Report the outstanding balance only on that portion of an account, which is owed to ED, based upon the account's applicable reinsurance reimbursement rate of **100,98, 90, 88, 80 or 78 percent**. Though the guaranty agency may estimate the outstanding balance for each aging category, the sum of each column must accurately reflect the total Federal Receivable at the agency at the end of the quarter.

The Accounts Scheduled or Rescheduled Section has three columns and ten line items. For each of the items in this Section, enter the information requested in each column using the definitions for each column contained above in the Accounts Not Scheduled Section of this Part.

C-11 NOT DELINQUENT

If a borrower complies with a repayment schedule, then the account is reported as not delinquent. An account is also reported in C-11 if the first scheduled payment is not due by the last day of the quarter covered by this report.

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C-12 1 - 30 DAYS

through

C-20 OVER 3 YEARS

If an account has been scheduled or rescheduled, but the borrower is not meeting the repayment agreement, then the account is reported as appropriate in items C-12 through C-20. The first day of delinquency is the day after the due date of the first missed scheduled or rescheduled payment not later made.

Current Quarter Accrued Interest Section

This Section reports on the amount of interest that accrued on borrowers' accounts during the quarter covered by this ED Form 1130. Include all accounts held by the guaranty agency of borrowers on whose loans ED has paid reinsurance. Report all amounts, regardless of whether the borrower has scheduled or rescheduled repayment.

The Current Quarter Accrued Interest Section has only one column, Accrued Interest, and one line item. For the item in this Section, enter the information requested for the Accrued Interest column using the following definition:

Accrued Interest

The dollar amount of interest calculated by the guaranty agency (not the lender) on the loan principal of a claim for collection from the borrower from the time the insurance claim was paid to a lender through the ending date of the reporting period (even if this interest has been paid to date by the borrower). Principal includes all purchased interest because purchased interest must be capitalized by the guaranty agency.

C-21 ACCRUED INTEREST CHARGED TO BORROWERS DURING THE QUARTER

Report in this item the accrued interest that accumulated and was charged to borrowers in the three months covered by this quarter. Do

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not report the cumulative or end-of-quarter amount of accrued interest on the borrower's account.

Example: On March 31, a borrower has \$112 of accrued interest charged to his account. During the April through June quarter, an additional \$33 in interest is accrued on the borrower's account. Therefore, the borrower owes \$135 in accrued interest as of June 30.

For item C-21 for its June 30 Quarterly Report, the guaranty agency would enter \$33, not \$135. The \$33 is the amount of interest, which accumulated and was charged during the quarter.

Other Bankruptcies Under Stay (Except Chapter 13) Section

This Section report on accounts held by the guaranty agency of borrowers where collection on their loans is under stay because they are under the jurisdiction of the Bankruptcy Court. This means the borrower has filed for bankruptcy under Chapter 7, 11, 12, or any other chapter (except Chapter 13) of the U.S. Bankruptcy Code and the holder of the loan has received a notice of the first meeting of creditors.

This Section includes all loans on which ED has paid a reinsurance claim. The claim could have been originally paid to the lender as a bankruptcy, or as a default claim where the borrower later filed for bankruptcy. Include only those accounts where collection is under stay.

Also, do not include loans paid as, or converted to a Chapter 13 bankruptcy because this type of bankruptcy does not create a federal receivable.

If the bankruptcy proceedings are concluded and the loan on which the claim was paid is discharged, then cease reporting on the claim in this Section. Report the loan in item B-1, Bankruptcy, Other, and on the ED Form 1189, as appropriate.

ED is entitled to 100 percent of any collections, which were received at the direction of the Bankruptcy Court during the bankruptcy proceedings. Report

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such collections on the ED Form 1189 and in the following items on this report, as applicable:

- A-25, Total Collected By Guaranty Agency,
- column F, Collected, of the "Bankruptcy, Other" items of Part B, Paid Claims Portfolio (B-1, B-16, B-31, B-46, and B-59),
- E-6, Agency Collections on Claims Paid,
- E-13, Collections Submitted to ED, and
- E-19, Collections Due to ED.

If the bankruptcy proceedings are concluded and the loan is not discharged, then the guaranty agency must refund to ED any bankruptcy reinsurance payments it received through the ED Form 1189. The guaranty agency also must decrease the amounts reported on the ED Form 1130 as explained in item B-1, Bankruptcy, Other. If a bankruptcy claim was paid to the lender on the loan, then the lender must repurchase the loan.

The Other Bankruptcies Under Stay (Except Chapter 13) Section has three columns and five line items. For each of the items in this Section, enter the information requested in each column using the following definitions:

Column A - Number of Borrowers

The number of borrowers with outstanding accounts where part or all of the amount the borrower owes is owed to ED at present. This is based on a count of unduplicated borrower social security numbers. It is not the number of individual Chapter 7, 11, 12, or other than Chapter 13 bankruptcy claims paid by the guaranty agency.

Column B - Total Receivable (Except Accrued Interest)

The outstanding dollar amount for all accounts in a given category for:

- principal (which includes all purchased interest because purchased interest must be capitalized by the guaranty agency.) and
- fees, penalties, collection charges, and any other charges which have accrued on the account.

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If the claim was originally paid as a default at less than 100 percent, and it was later converted to a bankruptcy, then the guaranty agency could request supplemental reinsurance for the complement. Therefore, this amount is not to be reduced by any complement, even if the guaranty agency has not yet received reinsurance for the complement.

Deduct from this amount any amounts, which are received at the direction of the Bankruptcy Court during the bankruptcy proceedings.

If the lender's claim on the loan was for bankruptcy, the guaranty agency could still capitalize the purchased interest due from the borrower and treat it as principal for the purpose of calculating accrued interest. However, neither this new principal amount, nor the resultant accrued interest could be collected because of the stay of the Bankruptcy Court. Once the bankruptcy proceedings are concluded, the purchased interest could be capitalized, as well as any accrued interest. The resulting new principal balance would be reported in accordance with the instructions at the beginning of this Section.

Column C - Accrued Interest

For the purposes of this Section only, accrued interest is the dollar amount of interest calculated by the guaranty agency (not the lender) on the loan principal of a claim for collection from the borrower from the time the insurance claim was paid to a lender up to the issuance of the stay by the Bankruptcy Court. This applies to a case where a default claim was paid to the lender and the borrower later filed for bankruptcy. If the lender's claim was paid as a bankruptcy, then there would be no accrued interest to report in this column for the loan.

Principal includes all purchased interest because purchased interest must be capitalized by the guaranty agency. Deduct from this amount any amounts attributable to accrued interest which are received at the direction of the Bankruptcy Court during the bankruptcy proceedings.

A guaranty agency continues to calculate accrued interest on a loan, even though collection action is under a stay of the Bankruptcy Court. However, this additional accrued interest is never reported in this column.

If bankruptcy proceedings are concluded and the loan is discharged, accrued interest is the interest, which accrued through the date of discharge. When a

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loan is discharged, collection activity ceases and the loan is no longer reported in this Section. Report on the loan and its accrued interest in accordance with the instructions at the beginning of this Section.

If bankruptcy proceedings are concluded and the loan is not discharged, accrued interest is the interest, which accrued through the date the bankruptcy proceedings were concluded. A loan covered by a bankruptcy proceeding is considered to be in forbearance. Once the proceedings are concluded, the loan must be repurchased by the lender if a bankruptcy claim was paid to the lender. The accrued interest is usually capitalized at the time of repurchase. If a bankruptcy claim was not paid to the lender, then the guaranty agency becomes the current holder of the loan and usually capitalizes the accrued interest. Interest accrues on the new principal amount and would become part of purchased interest should the loan subsequently go into default. Once bankruptcy proceedings are concluded, the loan is no longer reported in this Section. Report on this loan and its accrued interest in accordance with the instructions at the beginning of this Section.

C-22 1 - 180 DAYS

through

C-26 OVER 3 YEARS

The number of days in each line item depends on when the bankruptcy occurred.

If the claim was originally filed as a bankruptcy, then the number of days in each line item refers to the number of days since the lender's claim was paid by the guaranty agency.

If the claim was originally filed and paid to the lender as a default, and the borrower later filed for bankruptcy, then the number of days in each line item refers to the number of days since the date of the first meeting of creditors.

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Federal Receivable Information

This Section is used by ED, in conjunction with guaranty agency monthly reporting, to calculate guaranty agency's Federal Receivable balance. The Federal Receivable balance outstanding include amounts for default, exempt and default lender-of-last-resort claims, accrued interest and other charges, on which reinsurance has been requested by or paid to the guaranty agency. Amounts should be reported based on the applicable reinsurance rate of 100, 98, 90, 88, 80 or 78 percent.

Column A - Number of Borrowers

The total number of borrowers for each category for the reporting period. The number of borrowers is a count within each item based on unduplicated security numbers.

Column B - Principal

The total amount of principal, purchased interest and pre-11/90 SPA during the reporting period. Principal includes all purchased interest because purchased interest must be capitalized by the guaranty agency.

Column C - Accrued Interest

The total amount of accrued interest calculated by the guaranty agency on the loan principal of a claim for collection from the borrower during the reporting period.

Column D - Other Charges

The total amount of fees, penalties, collection charges, and any other charges which have accrued using a modified accrual basis for any claim.

Include in this amount IRS processing fees charged under the Treasury Offset Program less any processing fees refunded.

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C-27 COLLECTION TERMINATION

Enter the number and the dollar amount of the portion of federal receivable balances (i.e. principal and pre-11/90 SPA, accrued interest, and other charges) on which the agency has decided to terminate collection activities and not to make any further attempt to collect the amount due. All collection terminations must meet agency standards, which have been approved by ED.

C-28 COMPROMISES

Enter the number and dollar amount of which the agency has reached an agreement with the borrower to pay part of the amount due and not to make any further attempt to collect the remainder during the reporting period. All compromises must meet agency standards, which have been approved by ED. If the agency reaches an agreement with the borrower to pay part of the amount due and terminates collection of the rest, then report the amount on which collection has been compromised in this line item.

C-29 AGENCY'S ACCRUALS

Enter the total amount of interest accrued during the period being reported, also report the total amount of additional other charges added to the borrowers' account during the same period whether collected or not. The 100, 98, 90, 88, 80 or 78 accruals are reported here; the Secretary is entitled to an equitable share of such accruals when collected.

C-30 DEFAULT FFELP LOANS CONSOLIDATED BY DIRECT LOAN PROGRAM

Enter the number of borrowers and the federal receivable amounts of FFELP loans, which were consolidated in the Direct Loan Program during the period being reported.

C-31 DEBTS PERMANENTLY ASSIGNED TO ED

Enter the number and federal receivable dollar amount for permanent assignments to ED. Report only on assignments that are accepted by the Debt Collection Service during the reporting period. For permanent assignments to ED, agencies assign one debt per promissory note and it should be reported as one under Column A, Number of Borrowers. If there are two or more disbursements for one promissory note, the disbursement amounts should be totaled and considered one debt unless there are different loan types.

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C-32 DEFAULT LOANS RECEIVED

Enter the number and the net dollar amount for all federal receivables transferred to this agency from another guaranty agency. Do not include loan guarantees, loans in repayment or loans where the status is, or has change to death, disability, bankruptcy, closed school or false certification.

C-33 DEFAULT LOANS TRANSMITTED

Enter the number and net dollar amount of federal receivables transferred to any entity other than ED. Report only those accounts that have been accepted by the other entity during the period being reported. Do not include loan guarantees, loans in repayment or loans where the status is, or has change to death, disability, bankruptcy, closed school or false certification.

C-34 OTHER TRANSACTIONS AFFECTING FEDERAL RECEIVABLE

Enter the number and the net dollar amount of activity that affects the federal receivable that are not reported elsewhere on this report. These items may include collections received by and posted to the borrowers' accounts but not reported to ED by the end of the month, a detail list of these items should be retained by the agency for program review and auditing purposes if appropriate.

Another example may be reporting errors on the ED Form 1189 Monthly. For instance, an agency files for reinsurance on a bankruptcy claim, later the agency refunds the bankruptcy claim to ED, however, by error the agency reports it on the 1189 as an exempted claim refund. This transaction has an impact on federal receivables and should be reported in this line item.

Number and dollar amounts reported in this category can be either positive or negative.

VII. PART D: QUARTERLY REPORT CERTIFICATION

This Part is used to certify the completeness and accuracy of a guaranty agency's submission of its Quarterly Report.

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This Part must always be completed and submitted.

Enter the Guaranty Agency State Name, the Guaranty Agency Code and the Quarter Ending date according to the instructions under Chapter III, Cover Page and Page Headings.

The Quarterly Report Certification Part has eight line items.

D-1 TYPE OF SUBMISSION

Indicate by checking the appropriate field whether this ED Form 1130 package is an original submission, the correction of a prior submission, or an adjustment (including a correction to an adjustment). Do not check more than one field. See the Editing and Correction and the Adjustment Sections of Chapter II, Introduction, for a further explanation of this matter.

D-2 NAME OF GUARANTY AGENCY

Enter the full legal name of the guaranty agency. Do not enter the abbreviated Guaranty Agency State Name used at the top of this Part.

D-3 TYPED NAME OF CONTACT PERSON

Type (or print) the name of a staff member who can serve as a liaison to ED to resolve problems with minimal delay during the processing of an agency's Quarterly Report.

D-4 CONTACT TELEPHONE NUMBER

Enter the telephone number, including the area code, and the extension, if applicable, of the contact person named in item D-3, Typed Name of Contact Person.

D-5 SIGNATURE OF AUTHORIZED OFFICIAL

Enter in ink the original legal signature of the signing official. The

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certification must be signed by the director of the guaranty agency or an official authorized by the director. Unsigned forms will be returned to the agency.

By signing the form, the authorized official certifies and agrees that the guaranty agency will comply with the conditions of the certification statement.

D-6 DATE

Enter the month, day, and year on which the authorized official signed the certification. Numbers should be used to stand for the month. Only the last two digits of the calendar year should be entered.

Example: The authorized official signs the Quarterly Report on May 4, 1993, reflecting the agency's activity for the quarter of January through March, 1993. The entry for item D-6, Date, is as follows:

D-6 DATE: 5-4-93

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D-7 TYPED NAME OF AUTHORIZED OFFICIAL

Type (or print) the name of the authorized official who is signing the certification in item D-5, Signature of Authorized Official.

D-8 TITLE OF AUTHORIZED OFFICIAL

Enter the organizational title of the authorized official who is signing the certification in item D-5, Signature of Authorized Official.

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VIII. PART E: ANNUAL REPORT

This Part shows the agency's financial activities, including activities concerning its reserve fund and its activities with different types of lenders. Entries in this Part must reflect activity under all FFEL programs: Federal Stafford (both subsidized and unsubsidized), Federal PLUS, Federal SLS and Federal Consolidation.

Part E is to be completed annually, at the close of the Federal fiscal year, and must be submitted with the Quarterly Report (Parts A, B, C and D) for the fourth quarter of the Federal fiscal year. The Certification Section on page AR6 must be completed and signed, even though the Quarterly Report Certification, Part D of the Quarterly Report, is completed and submitted at the same time.

The amounts and numbers reported in this Part are:

- cumulative since the beginning of the agency's participation in the FFEL Program,
- reflect the end-of-year (quarter) status, or
- are for the Federal fiscal year (to date).

Refer to the instructions for each section and item on exactly how each amount or number is to be reported.

All the amounts reported on lines E-1 through E-21 must be supported by the guaranty agency's book of accounts. The amounts reported in this Part must be on a cash basis for, or through, the end of the Federal fiscal year, September 30, as required in each item. This must be done regardless of the agency's method and period of accounting used for its annual audited financial statement and other financial reports. Amounts, which are amortized or depreciated by the guaranty agency, are to be included when they are paid or received.

Example: A guaranty agency amortizes the insurance premiums (guarantee fees) it collects on a loan over the life of the loan guarantee. However, in preparing this Annual Report, the guaranty agency would report the entire premium in the year it was received. The only exceptions to reporting on a cash basis are the items in the Pending and Contingent Transactions Section. In this Section, accrued payables and receivables are reported.

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Information submitted for Part E should be consistent with and comparable to relevant information reported to the National Student Loan Data System (NSLDS) and consistent with the historical reporting portion of the ED Form 704, Guaranty Agency Projection Model.

Enter the Guaranty Agency State Name, the Guaranty Agency Code and the Quarter Ending date according to the instructions under Chapter III, Cover Page and Page Headings.

The Annual Report Part has ten sections.

Sources of Funds Section

This Section reports all sources of funds coming into the agency.

The Sources of Funds Section has one column, which shows dollar amounts, and eight line items. All amounts reported in this Section are to be cumulative since the beginning of the agency's FFEL Program participation. Do not report the merging guarantor's inception-to-date amount in line items E-1 through E-8.

E-1 INSURANCE PREMIUMS

Enter the total amount of insurance premiums (guarantee fees) collected. Add or subtract, as appropriate, insurance premiums transferred at the time loan guarantees were transferred. Subtract any refunds of premiums before reporting this amount.

Report all amounts when they are received, even if the guaranty agency amortizes the amounts over several years.

E-2 STATE APPROPRIATIONS

Enter the amount of State appropriations drawn down for the FFEL Program from the beginning of the agency's program through the end of the fiscal year. Also include other funds which were borrowed from the State to operate the FFEL Program.

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Example: During a previous fiscal year, the agency had received an appropriation of \$100,000. Before the current fiscal year, the agency only drew down \$61,000. During the current fiscal year, the agency drew down an additional \$20,000. The entry would be as follows:

	-Amount-
E-2 State Appropriations	\$ 81,000

E-3 FEDERAL ADVANCES

Enter the amount of all Federal advances received. Note that returns of advances will be reported in item E-14, Federal Advances Returned to ED. Therefore, do not subtract any returns from this total.

E-4 FEDERAL REINSURANCE AND SPA PAYMENTS

Enter the amount of all Federal reinsurance payments received for default (including exempted claims and lender of last resort claims), bankruptcy, death and disability, closed schools and false certification claims.

Include in this amount all supplemental preclaims assistance (SPA) payments received from ED whether the SPA charges were incurred for loans, which became delinquent before or after November 5, 1990.

Subtract from this amount any reinsurance or SPA payments returned due to overpayments, refunds, or repurchases before reporting this amount. Do not include the allowable reimbursed collection costs on rehabilitated loans or defaulted FFEL program loans in this line item. Report them in E-8, Other Sources.

Previous ED Form 1130 instructions stated that guaranty agencies should subtract amounts for rehabilitated loans from this line item. Do not subtract rehabilitated loans from this line item.

Do not subtract amounts for defaulted FFEL Program loans consolidated under the Federal Direct Loan Program or consolidated under the FFEL Program.

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E-5 ADMINISTRATIVE COST ALLOWANCE

Enter the amount of Administrative Cost Allowance (ACA) and Administrative Expense Allowance (AEA) payments received from ED. Subtract any refunds of ACA and AEA payments made to ED before reporting this amount.

E-6 AGENCY COLLECTIONS ON CLAIMS PAID

Enter the total amount of all collections received by the guaranty agency and its agents on insurance claims paid to lenders. Include amounts collected under the direction of a Bankruptcy Court for those accounts classified as bankruptcies. Subtract the amount for dishonored or insufficient funds check before reporting this amount. Do not include any Federal Offset Program (FOP) amounts collected directly by the U.S. Internal Revenue Service.

For rehabilitated loans, include the outstanding principal, accrued interest and allowable collection costs at the time of rehabilitation.

Example: Loan is rehabilitated for \$1000.00 principal plus \$100.00 accrued interest of which the agency retains 18.5% in collection costs. Reporting for this item would be:

Principal	\$1000.00
Accrued Interest	<u>100.00</u>
Amount reported in E-6	\$1100.00

For defaulted loans consolidated under the FFEL Program, include the outstanding principal, accrued interest and allowable collection costs at the time of payoff.

Do not include defaulted FFEL Program loans consolidated under the Federal Direct Loan Program.

E-7 INVESTMENT EARNINGS

Enter the amount of all investment earnings received, including any interest and dividends and any earnings from the investment of Federal

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advances. If the agency is required by State law to combine FFEL Program funds with other State funds for investment purposes, then the agency must establish a method for allocating a portion of the earnings to the FFEL Program and must maintain documentation on the allocation method.

E-8 OTHER SOURCES

Enter the total amount of funds received from any other source not already cited in this section. Include amounts received for fees paid to a lender to provide lender referral services.

Report the entire fund balance from the merging guarantor and report the fund balance received in this line item. Separate the fund balance received into Other Sources and Federal Advances (Total Federal advance less total Federal Advances Returned) and report the net advances in E-3 Federal Advances and the remaining portion of the federal fund received in E-8.

Include the allowable collection costs on the amount paid by ED for a defaulted loan consolidated under the Federal Direct Loan Program.

Uses of Funds Section

This Section reports all uses of funds paid out by the agency.

The Uses of Funds Section has one column, which shows dollar amounts, and eight line items. All amounts reported in this Section are to be cumulative since the beginning of the agency's FFEL Program participation. Do not report the merging guarantor inception-to-date amounts in line items E-9 through E-16.

E-9 TOTAL CLAIMS

Enter the amount of all default, exempted, bankruptcy, death and disability, closed schools and false certification and lender of last resort default insurance claims paid to lenders for all FFEL Program loans.

Include amounts on which claims have been paid to lenders, but on which reinsurance has not yet been received from ED. Also include

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amounts which are eligible for insurance from the guaranty agency, but which are not eligible for reinsurance from ED.

Subtract from this amounts for refunds, repurchases or overpayments returned by lenders. Do not subtract the amounts for rehabilitated loans or defaulted loans consolidated under FFEL Program.

Previous ED Form 1130 instructions stated that guaranty agencies should subtract amounts for rehabilitated loans from this line item. Do not subtract rehabilitated loans from this line item.

Do not subtract the amounts for defaulted FFEL Program loans consolidated under the Federal Direct Loan Program.

E-10 COLLECTION RELATED COSTS

Enter the amount paid for administrative costs for loan collections, preclaims assistance, and monitoring the enrollment and repayment status under the FFEL Program.

Preclaims assistance includes supplemental preclaim assistance (SPA) costs reimbursable by ED whether the SPA charges were incurred for loans, which became delinquent before or after November 5, 1990.

E-11 TOTAL OPERATING COSTS

Enter the amount paid for all expenses of administering the FFEL Program. Include the amount reported in item E-10, Collection Related Costs.

Exclude the cost of operating any non-FFEL Program activity operated by the agency such as a State scholarship program.

E-12 LENDER FEES

Enter the amount paid to lenders as an incentive to participate in the FFEL Program in accordance with applicable laws, regulations, and policy bulletins. An example of this is a fee paid to a lender to make a loan.

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Also include lender referral fees paid to lenders for providing lender referral services.

Include all amounts paid since the beginning of the agency's FFEL Program participation, even though the guaranty agency may no longer make such payments..

E-13 COLLECTIONS SUBMITTED TO ED

Enter the amount of collections submitted to ED (sometimes referred to as the "Secretary's equitable share") by the guaranty agency. Include amounts submitted to ED which were collected under the direction of a Bankruptcy Court.

For a rehabilitated loan, include the amounts reported in Part E, line 6, net of allowable collection costs and reinsurance complement, if any.

Example: Loan is rehabilitated for \$1000.00 principal plus \$100.00 accrued interest and the reimbursement rate was 100%. Reporting for this item would be:

Principal	\$1000.00
Accrued Interest	100.00
Allowable Collection Costs	203.00
Amount reported in E-13	\$ 897.00

For a defaulted loan consolidated under FFEL Program, include the amounts reported in Part E, line 6, net of allowable collections costs and reinsurance complement, if any.

Do not include defaulted FFEL Program loans consolidated under the Federal Direct Loan Program.

Do not include any Federal Offset Program (FOP) amounts collected directly by the U.S. Internal Revenue Service.

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E-14 FEDERAL ADVANCES RETURNED TO ED

Enter the amount of any Federal advances that the guaranty agency returned to ED.

E-15 REINSURANCE FEES SUBMITTED TO ED

Enter the amount of reinsurance fees submitted to ED.

E-16 OTHER USES

Enter the amount of your agency's required share of the federal fund recall that has been deposited in a restricted account as a result of P.L. 105-33, the Balanced Budget Act of 1997. This amount is based on the agency's reserve fund as of September 30, 1996.

Also, Enter cash disbursements for:

- net investment losses, or
- any other decreases in capital that were not included in other items in the Uses of Funds Section (items E-9 through E-15).

Pending and Contingent Transactions Section

This Section reports on financial transactions pending at the guaranty agency, including those between ED and the agency. It also includes one contingent transaction concerning insurance premiums.

The Pending and Contingent Transactions Section has one column, which shows dollar amounts, and six line items.

The amounts reported reflect the guaranty agency's accrued payables and receivables and reflect their status as of the last day of the Federal fiscal year covered by this report. This is not like the other sections in this Part where information is reported on a cash basis.

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E-17 REINSURANCE AND SPA PAYMENTS DUE FROM ED

Enter the amount of payments due from ED for reinsurance claims filed, but not yet paid.

Include in this amount all supplemental preclaims assistance (SPA) requested from, but not yet paid by ED, whether the SPA charges were incurred for loans, which became delinquent before or after November 5, 1990. **(Note: This amount should equal the 1189(s) not received by ED.)**

E-18 ADMINISTRATIVE COST ALLOWANCE BILLED

Enter the amount of Administrative Cost Allowance (ACA) or Administrative Expense Allowance (AEA) payments requested from, but not yet paid by ED. Include in this amount the current quarter's request and any unpaid ACA and AEA from previous quarters.

E-19 COLLECTIONS DUE TO ED

Enter the amount of ED's share of collections (sometimes referred to as the "Secretary's equitable share") received by the guaranty agency but not yet paid to ED. Include amounts collected under the direction of a Bankruptcy Court which have not yet been submitted to ED.

For a rehabilitated loan, include the amounts reported in Part E, line 6, net of allowable collection costs and reinsurance complement, if any.

Example: Loan is rehabilitated for \$1000.00 principal plus \$100.00 accrued interest and reimbursement rate was 100%.
Reporting for this item would be:

Principal	\$1000.00
Accrued Interest	100.00
Allowable Collection Cost	203.00

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Amount reported in E-19 \$ 897.00

For a defaulted loan consolidated under FFEL Program, include the amounts reported in Part E, line 6, net of allowable collections costs and reinsurance complement, if any.

Do not include defaulted FFEL Program loans consolidated under the Federal Direct Loan Program

Do not include Federal Offset amounts, which are collected directly by the U.S. Internal Revenue Service. **(Note: This amount should equal the 1189(s) not received by ED.)**

E-20 REINSURANCE FEES DUE TO ED

Enter the amount of reinsurance fees, which are due to ED, but have not yet been paid. This should be zero for any quarter ending after 9/30/93.

E-21 OTHER PENDING TRANSACTIONS

Enter the amount of funds due the guaranty agency that were not included in other items in the Pending Transactions Section (items E-17 through E-20).

This is determined by subtracting the amount of the guaranty agency's accounts payable which affect its reserve fund from the amount of the guaranty agency's accounts receivable which affect its reserve fund.

The reserve fund is an amount that a guaranty agency must maintain to protect itself against large increases in claims from lenders or other unanticipated expenses. This is only a general description of the reserve fund. Refer to the appropriate regulations and policy bulletins for specifics. In particular, refer to Section 428(c)(1) of the HEA and Part 34, Section 682.410 of the Code of Federal Regulations.

If this is a negative amount because the agency's accounts payable exceed its accounts receivable, then precede this amount with a minus sign. Item E-21 is the only item on the ED Form 1130, which may contain a negative number.

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Examples: Assume that an agency invoices lenders for insurance premiums (guarantee fees) after disbursement, and that \$161,800 in premiums are due but not yet paid. The entry would be as follows:

	-Amount-
E-21 Other Pending Transactions	\$161,800

Assume that an agency invoices lenders for insurance premiums after disbursement, and that \$161,800 in premiums are due but not yet paid. The agency also has \$100,000 in unpaid claims due to lenders. The entry would be as follows:

	-Amount-
E-21 Other Pending Transactions	\$ 61,800

E-22 CONTINGENT INSURANCE PREMIUMS

Enter the amount of insurance premiums (guarantee fees) to be received on uncanceled loans, which have not yet been disbursed, as of the last day of the Federal fiscal year covered by this report, that is, as of September 30.

Example: During September, the last month of the Federal fiscal year, the guaranty agency issues loan guarantees for \$20,000. Of this amount:

- \$1,000 is cancelled before it is disbursed,
- \$10,000 is disbursed in September, and
- \$9,000 is scheduled for disbursement in December.

The guaranty agency charges a 1 percent insurance premium on loans, payable upon disbursement. The guaranty agency can anticipate receiving a 1 percent fee on the \$9,000 scheduled for disbursement in December. The entry for item E-22 would be as follows:

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E-22 Contingent Insurance Premiums	-Amount- \$ 90
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Loan Portfolio Status Section

This Section reports the status of the agency's FFEL Program loan portfolio.

The Loan Portfolio Section has one column, which shows dollar amounts, and eight line items. The amounts reported in this Section are either:

- cumulative since the beginning of the agency's participation in the FFEL Program, or
- reflect the end-of-year (quarter) status.

Refer to the instructions for each item to determine how each amount is to be reported.

Dollar amounts are for loan principal only. Do not include amounts cancelled either before or after (unconsummated) disbursement.

E-23 LOANS PAID-IN-FULL

Enter the cumulative original principal amount of all loans that have been paid-in-full since the beginning of the agency's FFEL Program participation.

For loans that were discharged through consolidation, report the sum of the original principal guaranteed by the guaranty agency for each individual loan that was discharged. This includes Federal Stafford Loans (both subsidized and unsubsidized, including Unsubsidized Loans for Middle-Income Borrowers), Federal PLUS Loans and Federal SLS Loans.

It also includes Federal PLUS Loans refinanced under Sections 428B(e)(2) and (3) of the HEA and Federal SLS loans refinanced under Sections 428A(d)(2) and (3) of the HEA. Both the underlying loans and the refinanced loan are to be reported here. If the guaranty agency

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guaranteed only some of the underlying Federal PLUS or Federal SLS loans which were refinanced, report on only those loans which it guaranteed.

Do not include Federal SLS loans refinanced to secure combined payment under Section 428A(d)(1) of the HEA or Federal PLUS Loans refinanced to secure combined payment under Section 428(B)(e)(1) of the HEA. These actions do not create more loans. Only report the loan principal of the individual Federal SLS and Federal PLUS Loans, which were included in the combined repayment plans.

Do not include loan amounts in a consolidation due to a Federal Consolidation Loan which were guaranteed by other agencies. If a Federal Consolidation Loan has been paid-in-full, report the original principal amount of the Federal Consolidation Loan as well as the underlying loan amounts guaranteed by the agency.

Do not include defaulted FFELP loans that were consolidated under the Federal Consolidation Loan Program or Federal Direct Loan Consolidation Program.

E-24 UNREINSURED LOANS NOT ELIGIBLE FOR CURE

Enter the cumulative original principal amount of all loans that have lost reinsurance since the beginning of the agency's FFEL Program participation, where the loans are not eligible for cure under ED regulations.

When a loan loses insurance, it means the guaranty agency will not pay a claim to a lender, or if it did, the lender refunded the claim amount. Any loan, which loses insurance also, loses eligibility for reinsurance.

When a loan loses reinsurance, it means:

- the guaranty agency paid a claim to the lender,
- the lender did not refund the claim amount, and
- ED will not pay a reinsurance claim to the guaranty agency, or if ED did pay, the guaranty agency refunded the claim amount.

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The following paragraphs explain each insurance and reinsurance situation and how the information should be reported on the ED Form 1130. The loss of insurance or reinsurance actually occurs from the point that the violation causing the loss occurs. However, the following paragraphs explain what to do at the time the guaranty agency discovers that the loan has lost insurance or reinsurance.

If a loan loses insurance prior to the lender filing a claim, then do not report the amount in this item, E-24. Instead, report it in item, A-5, Uninsured Loans - Amount. No other items on the ED Form 1130 need to be changed for this case.

If a loan loses insurance after the guaranty agency has paid a claim to the lender, but before the guaranty agency has filed for reinsurance, and the lender refunded the claim amount, then do not report the amount in this item, E-24. Instead, report it in item, A-5, Uninsured Loans - Amount. See the instructions for item A-5 on other changes which may need to be made to the ED Form 1130 for this situation.

If a loan loses insurance after the guaranty agency has paid a claim to the lender, but before the guaranty agency has filed for reinsurance, and the lender did not refund the claim amount, then report the amount in this item, E-24. As explained above, this is considered to be a case of loss of reinsurance, not insurance. If the loan claim information had been included in prior ED Form 1130 submissions, then change the ED Form 1130 as follows:

- do not report the amount in item A-5, Uninsured Loans - Amount,
- reduce the amounts reported in the appropriate line item of Part B, Paid Claims Portfolio,
- reduce the amounts reported in the appropriate line item of Part C, Federal Receivable Data, and
- make any necessary changes to the items in the Pending and Contingent Transactions Section of this Part.

If a loan loses insurance:

- after the guaranty agency has paid a claim to the lender,
- the guaranty agency has received reinsurance from ED,
- the lender refunded the claim amount to the guaranty agency, and

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- the guaranty agency refunded the reinsurance amount to ED; then do not report the amount in this item, E-24. Instead, report it in item, A-5, Uninsured Loans - Amount. See the instructions for item A-5 on other changes which may need to be made to the ED Form 1130 for this situation.

If a loan loses insurance:

- after the guaranty agency has paid a claim to the lender,
- the guaranty agency has received reinsurance from ED,
- the lender did not refund the claim amount to the guaranty agency, but
- the guaranty agency refunded the reinsurance amount to ED;

then report the amount in this item, E-24. As explained above, this is considered to be a case of loss of reinsurance, not insurance. If the loan claim information had been included in prior ED Form 1130 sub-missions, then change the ED Form 1130 as follows:

- do not report the amount in item A-5, Uninsured Loans - Amount,
- reduce the amounts reported in the appropriate line item of Part B, Paid Claims Portfolio, reduce the amounts reported in the appropriate line item of Part C, Federal Receivable Data,
- if necessary, reduce the amount reported in item E-4, Federal Reinsurance and SPA Payments, and
- make any necessary changes to the items in the Pending and Contingent Transactions Section of this Part.

Do not include any loan amounts which were cancelled in this item, whether before or after disbursement. A cancelled loan is not considered to be uninsured or unreinsured as these terms are used in the ED Form 1130.

**E-25 FEDERAL STAFFORD (EXCEPT UNSUBSIDIZED STAFFORD)
INTERIM LOANS (IN-SCHOOL AND IN GRACE)**

Enter the principal amount of all Federal Stafford loans (except Unsubsidized Stafford Loans) for borrowers who are in-school or in their grace period as of the last day of the reporting year.

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E-26 UNSUBSIDIZED STAFFORD INTERIM LOANS (IN-SCHOOL AND IN GRACE)

Enter the principal amount of all Unsubsidized Stafford Loans for borrowers who are in-school or in their grace period as of the last day of the reporting year.

E-27 TOTAL LOANS IN DEFERMENT BEFORE FIRST PAYMENT DUE

Enter the original principal amount of all FFEL Program loans that entered deferment status before the first payment became due and are in deferment status at the end of the reporting year. This item includes, but is not limited to, the amount reported in item E-28; Unsubsidized Stafford Loans in Deferment Before First Payment Due.

Examples: Assume a student attended school using a Federal Stafford Loan and upon graduation was unable to find full-time employment. The borrower would receive an unemployment deferment before the first payment becoming due.

Assume a borrower qualifies for an "in-school" deferment at the time a Federal SLS Loan is made. The borrower receives the deferment, which is effective the day the loan is disbursed.

E-28 UNSUBSIDIZED STAFFORD LOANS IN DEFERMENT BEFORE FIRST PAYMENT DUE

Enter the original principal amount of all Unsubsidized Stafford Loans for Middle-Income Borrowers that entered deferment status before the first payment became due and are in deferment status at the end of the reporting year.

E-29 TOTAL LOANS IN DEFERMENT

Enter the original principal amount of all FFEL Program loans that are in deferment status as of the last day of the reporting year. This item includes, but is not limited to, the amounts reported in items:

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- E-27, Total Loans in Deferment Before First Payment Due, and
- E-28, Unsubsidized Stafford Loans in Deferment Before First Payment Due

E-30 UNSUBSIDIZED STAFFORD LOANS IN DEFERMENT

Enter the original principal amount of all Unsubsidized Stafford Loans for Middle-Income Borrowers that are in deferment status at the end of the reporting year. This item includes, but is not limited to, the amount reported in items E-28; Unsubsidized Stafford Loans in Deferment Before First Payment Due.

Lender Loan Volume Section

This Section reports the volume of the FFEL Program loans guaranteed by the agency by original lender type. Include the principal amount only, whether the loan:

- is subsequently cancelled in whole or part, or
- subsequently loses reinsurance.

Loans listed must reflect the original lender type, not the current lender type.

Example: A loan was originally made by a credit union (commercial lender) and then sold to a direct lender. The loan is reported in item E-31, Commercial Lenders, not in item E-33, Direct Lenders.

The Lender Loan Volume Section has five columns and four line items. All amounts are for the Federal fiscal year to date.

For each line item in this Section enter the information requested for each loan program in each column using the following loan program definitions:

Column A - Federal Stafford (except Unsubsidized)

The Robert T. Stafford Federal Student Loan Program. These are loans insured by the guaranty agency where the borrower's interest is subsidized by ED during in-school and grace periods and periods of authorized deferment. Such loans have been referred to previously as Stafford Loans, Guaranteed Student Loans, and GSL loans. Unsubsidized Stafford Loans are not reported

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here. They are reported in column E, Unsubsidized Stafford. Unsubsidized Stafford Loans are loans made under the authority of Section 428H of the HEA, Unsubsidized Stafford Loans for Middle-Income Borrowers. They are loans to borrowers who do not qualify for Federal interest subsidy payments and are only for enrollment periods beginning on or after October 1, 1992.

Some lenders made unsubsidized Stafford Loans before the enactment of Section 428H. Such loans would cover the costs of instruction for periods of enrollment beginning before October 1, 1992. Include this type of unsubsidized Stafford loan in this column, Column A.

Column B - Federal PLUS

The Federal PLUS Loans Program. These are loans to parents of students. Such loans have been referred to previously as PLUS Loans, PLUS - Parent loans, and Parental Loans for Undergraduate Students.

Column C - Federal SLS

The Federal Supplemental Loans for Students Program. These are loans to graduate and professional students, and to undergraduate independent students. Federal SLS loans can also be made under certain conditions to undergraduate dependent students. Such loans have been referred to previously as PLUS - Student and ALAS loans.

Column D - Federal Consolidation

The Federal Consolidation Loans Program. These are loans made under the authority of Section 428C of the HEA by consolidating the principal and borrower interest due at the time of consolidation on Federal Stafford Loans (both subsidized and unsubsidized, including Unsubsidized Loans for Middle-Income Borrowers), Federal PLUS Loans, Federal SLS Loans, Federal Perkins Loans (previously referred to as National Direct Student Loans, National Defense Student Loans, and NDSL loans), Federally Insured Student Loans (FISL), Health Education Assistance Loans (HEAL's made under Subpart I, Part A, Title VII of the Public Health Service Act) and Health Professions Student Loans (HPSL's made under Subpart II, Part A, Title VII of the Public Health Service Act) and Health Human Services Nurses Loans (HHS Nurses Loans made under Subpart II, Part B, Title VIII of the Public Health Service

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Act), defaulted Title IV loans, and William D. Ford Federal Direct loans (Federal Direct Loan Program).

Federal SLS and Federal PLUS loans refinanced under Sections 428A(d)(2), 428A(d)(3), 428B(e)(2) or 428B(e)(3) of the HEA must be reported under the appropriate Federal SLS or Federal PLUS category. These refinanced loans are not Federal Consolidation Loans.

Column E - Unsubsidized Stafford

The Unsubsidized Stafford Loans for Middle-Income Borrowers Program. These are loans under the authority of Section 428H of the HEA to borrowers who do not qualify for Federal interest subsidy payments under Section 428 of the HEA. Essentially, these are the same as Federal Stafford Loans except for the borrower interest subsidy. Only Unsubsidized Stafford Loans made to cover the costs of instruction for periods of enrollment beginning on or after October 1, 1992 are included in the column. Unsubsidized Stafford loans made for enrollment periods before October 1, 1992 are reported in column A, Federal Stafford (except Unsubsidized).

E-31 COMMERCIAL LENDERS (BANKS, SAVINGS AND LOANS, AND CREDIT UNIONS)

Enter the principal amount of loans made by banks, savings and loan associations, credit unions, and other commercial lenders.

E-32 SCHOOL LENDERS

Enter the principal amount of loans made by schools to their students.

E-33 DIRECT LENDERS (STATE OR PRIVATE NON-PROFIT)

Enter the principal amount of loans made by direct lending institutions, which were established to provide FFEL Program loans directly to eligible borrowers.

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E-34 ALL OTHER LENDERS

Enter the principal amount of loans made by lenders that were not included in other line items of the Lender Loan Volume Section (items E-31 through E-33).

Default Claims Paid Section

This Section reports the amount of principal paid on default claims to lenders, by lender type, on FFEL Program loans guaranteed by the agency. A default claim is one on which the borrower failed to make an installment payment when due as defined in regulations. Defaults listed must reflect the lender type of the lender to whom the default claim was paid.

Example: A loan was originally made by a credit union (commercial lender) and then sold to a direct lender. The direct lender filed a default claim with the guaranty agency and was paid. The default claim amount is reported in item E-37, Direct Lenders, not in item E-35, Commercial Lenders.

If the agency receives a payment from a lender or a borrower for the loan after an insurance claim was paid but prior to reinsurance, treat the payment as a refund and subtract the amount of refunded lender principal from this amount. If a lender repurchases a loan, which had been previously paid as a default by the agency, subtract the amount of repurchased lender principal from this amount.

Do not subtract the amount for a defaulted FFEL Program loan consolidated under the Federal Direct Loan Program.

Claims which lose insurance, that is, the loan loses insurance and the lender refunds the claim amount, must also be subtracted. If ED has paid a default reinsurance claim to the guaranty agency in such a situation, then the claim amount must be reported and refunded to ED using ED Form 1189. If the loan loses insurance in one year and reinsurance is refunded in another year, be careful that the loan amount is subtracted in only one Annual Report. If the loan loses reinsurance, but not insurance, then leave this amount unchanged.

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Refer to the appropriate regulations and policy bulletins for more specifics on repurchased loans, rehabilitated loans, exempted claims and false certification claims.

The Default Claims Paid Section has five columns and four line items. All amounts are for the Federal fiscal year to date.

For each line item in this Section enter the information requested for each loan program in each column using the same loan program definitions given for the Lender Loan Volume Section above, with the following exceptions:

Column B - Federal PLUS

Report default claims paid on both original Federal PLUS loans and refinanced Federal PLUS loans in this column.

Column C - Federal SLS

Report default claims paid on both original Federal SLS loans and refinanced Federal SLS loans in this column.

E-35 COMMERCIAL LENDERS (BANKS, SAVINGS AND LOANS, AND CREDIT UNIONS)

Enter the amount of principal paid to banks, savings and loan associations, credit unions, and other commercial lenders for defaulted loans guaranteed by the agency.

E-36 SCHOOL LENDERS

Enter the amount of principal paid to school lenders for defaulted loans guaranteed by the agency.

E-37 DIRECT LENDERS (STATE OR PRIVATE NON-PROFIT)

Enter the amount of principal paid to direct lending institutions for defaulted loans guaranteed by the agency.

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E-38 ALL OTHER LENDERS

Enter the amount of principal paid to lenders that were not included in other line items of the Default Claims Paid Section (items E-35 through E-37) for defaulted loans guaranteed by the agency.

Number of Lenders Section

This Section reports the number of lenders who have guaranteed loans.

The Number of Lenders Section has five columns and one line item. The numbers are for the Federal fiscal year to date.

Enter the information requested for each loan program in each column using the same loan program definitions given for the Lender Loan Volume Section above.

E-39 TOTAL NUMBER OF ACTIVE LENDERS

Enter the number of lenders for which the agency has guaranteed at least one Federal Stafford (subsidized or unsubsidized), Federal PLUS, Federal SLS, or Federal Consolidation loan during the reporting year.

Composition of Federal Consolidation Loans Section

This Section report on the composition of the underlying loans discharged through Federal Consolidation Loans guaranteed by the agency under Section 428C of the HEA. Also include default Title IV loans as appropriate.

The Composition of Federal Consolidation Loans Section has one column, which shows dollar amounts, and eight line items. All amounts are for the Federal fiscal year to date.

E-40 FEDERAL STAFFORD (EXCEPT UNSUBSIDIZED)

Enter the remaining unpaid amount at the time of consolidation of Federal Stafford Loans (except Unsubsidized) included in Federal Consolidation Loans guaranteed by the agency.

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Federal Stafford Loans are loans made under the Robert T. Stafford Federal Student Loan Program. They are loans insured by the guaranty agency where the borrower's interest is subsidized by ED during in-school and grace periods and periods of authorized deferment. Such loans have been referred to previously as Stafford Loans, Guaranteed Student Loans, and GSL loans.

Unsubsidized Stafford Loans are not reported here. They are reported in item E-43, Unsubsidized Stafford. Unsubsidized Stafford Loans are loans made under the authority of Section 428H of the HEA, Unsubsidized Stafford Loans for Middle-Income Borrowers. They are loans to borrowers who do not qualify for Federal interest subsidy payments and are only for enrollment periods beginning on or after October 1, 1992.

Some lenders made unsubsidized Stafford Loans before the enactment of Section 428H. Such loans would cover the costs of instruction for periods of enrollment beginning before October 1, 1992. Include this type of nonsubsidized Stafford loan in this item, E-40.

E-41 FEDERAL PLUS

Enter the remaining unpaid amount at the time of consolidation of Federal PLUS Loans included in Federal Consolidation Loans guaranteed by the agency.

The Federal PLUS Loans Program provides loans to parents of students. Such loans have been referred to previously as PLUS Loans, PLUS - Parent loans, and Parental Loans for Undergraduate Students.

Include loans refinanced under Sections 428B(e)(2) and (3) of the HEA which were then made part of the Federal Consolidation Loan, regardless of which guaranty agency issued the guarantee.

If the Federal Consolidation Loan includes Federal PLUS Loan amounts refinanced to secure combined payment under Section 428(B)(e)(1) of the HEA, include the unpaid Federal PLUS amounts in the combined PLUS payment package here.

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Loans refinanced under Sections 428B(e)(2) and (3) of the HEA are Federal PLUS Loans, not Federal Consolidation Loans. Do not include the underlying loans of these refinanced Federal PLUS Loans in this item.

Though permitted by law, the inclusion of a Federal PLUS Loan in a Federal Consolidation will not be very common. See item E-42, Federal SLS, for an example of how to report this if it should occur.

E-42 FEDERAL SLS

Enter the remaining unpaid amount at the time of consolidation of Federal Supplemental Loans for Students (Federal SLS Loans) included in Federal Consolidation Loans guaranteed by the agency.

The Federal Supplemental Loans for Students Program provides loans to graduate and professional students, and to undergraduate independent students. Federal SLS loans can also be made under certain conditions to undergraduate dependent students. Such loans have been referred to previously as PLUS - Student and ALAS loans.

Include loans refinanced under Sections 428A(D)(2) and (3) of the HEA which were then made part of the Federal Consolidation Loan, regardless of which guaranty agency issued the guarantee.

If the Federal Consolidation Loan includes Federal SLS Loan amounts refinanced to secure combined payment under Section 428(A)(d)(1) of the HEA, include the unpaid Federal SLS amounts in the combined SLS payment package here.

Loans refinanced under Sections 428A(d)(2) and (3) of the HEA are Federal SLS Loans, not Federal Consolidation Loans. Do not include the underlying loans of these refinanced Federal SLS loans in this item.

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Examples: A borrower obtains Federal SLS loans two years in a row, one for \$1,000 and one for \$2,000. Upon completing school, the borrower decides to refinance to secure combined payment under Section 428(A)(d) (1). The borrower pays off half the loan principal before deciding to attend graduate school for one year. The borrower obtains a third Federal SLS loan for \$3,500 to help cover the cost of graduate school. At the end of graduate school, the borrower obtains a Federal Consolidation Loan. The Federal SLS original loan amounts and the amounts at the time of consolidation are:

<u>Loan</u>	<u>Original</u>	<u>Consolidation</u>
1	\$1,000	\$ 500
<u>2</u>	<u>2,000</u>	<u>1,000</u>
Combined Payment Amount	\$3,000	\$1,500
<u>3</u>	<u>3,500</u>	<u>3,500</u>
Totals	\$6,500	\$5,000

Report the sum of the loan amounts at the time of consolidation for loans #1, #2 and #3, that is -- \$5,000 in item E-42, Federal SLS.

A borrower obtained three Federal SLS loans in while an undergraduate, each for \$1,000. Upon graduation, the borrower refinanced the three loans to secure a variable interest rate under Section 428(A)(d)(2). The borrower paid off two thirds of the loan principal before deciding to attend graduate school for one year. The borrower obtained a fourth Federal SLS loan for \$4,500 to help cover the cost of graduate school. At the end of graduate school, the borrower obtains a Federal Consolidation Loan. The Federal SLS original loan amounts and the

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amounts at the time of consolidation are:

<u>Loan</u>	<u>Original</u>	<u>Consolidation</u>
1	\$1,000	-----
2	1,000	-----
<u>3</u>	<u>1,000</u>	<u>-----</u>
Refinanced Amount	\$3,000	\$1,000
<u>4</u>	<u>4,500</u>	<u>4,500</u>
Totals	\$7,500	\$5,500

Report the sum of the loan amounts at the time of consolidation for the refinanced amount and loan #4, that is -- \$4,500 in item E-42, Federal SLS.

E-43 UNSUBSIDIZED STAFFORD

Enter the remaining unpaid amount at the time of consolidation of Unsubsidized Stafford Loans for Middle-Income Borrowers included in Federal Consolidation Loans guaranteed by the agency.

The Unsubsidized Stafford Loans for Middle-Income Borrowers Program provides loans under the authority of Section 428H of the HEA to borrowers who do not qualify for Federal interest subsidy payments under Section 428 of the HEA. Essentially, these are the same as Federal Stafford Loans except for the borrower interest subsidy. Only Unsubsidized Stafford Loans made to cover the costs of instruction for periods of enrollment beginning on or after October 1, 1992 are included in this item.

Unsubsidized Stafford loans made for enrollment periods before October 1, 1992 are reported in item E-40, Federal Stafford (except Unsubsidized).

E-44 FEDERALLY INSURED STUDENT LOANS (FISL)

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Enter the remaining unpaid amount at the time of consolidation of Federally Insured Student Loans (FISL Loans) included in Federal Consolidation Loans guaranteed by the agency.

The Federally Insured Student Loan (FISL) Program was a FFEL Program which provided loans insured by ED instead of a guaranty agency under Sections 429 and 430 of the HEA. They were essentially Federal Stafford Loans where the Federal government provided the loan guarantee to lenders instead of a guaranty agency. FISL loans have not been made since the middle of 1984, though there are some that are still outstanding.

E-45 FEDERAL PERKINS LOANS

Enter the remaining unpaid amount at the time of consolidation of Federal Perkins Loans included in Federal Consolidation Loans guaranteed by the agency.

The Federal Perkins Loans Program provides loans to students at institutions of higher education under Title IV, Part E of the HEA. The loan program is administered by each institution. Such loans have been referred to previously as "Perkins Loans," "National Direct Student Loans," "National Defense Student Loans" and "NDSL Loans."

E-46 HEALTH EDUCATION ASSISTANCE LOANS (HEAL)

Enter the remaining unpaid amount at the time of consolidation of Health Education Assistance Loans (HEAL) included in Federal Consolidation Loans guaranteed by the agency.

The Health Education Assistance Loans Program makes loans to students studying for careers in certain health fields. The program is authorized by Title VII, Part A, Subpart I, of the Public Health Service Act and is administered by the Public Health Service of the U.S. Department of Health and Human Services.

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E-47 HEALTH PROFESSIONS STUDENT LOANS (HPSL)

Enter the remaining unpaid amount at the time of consolidation of Health Professions Student Loans (HPSL) and Health Human Services Nurses Loan (HHS Nurses) included in Federal Consolidation Loans guaranteed by the agency.

The Health Professions Student Loans Programs makes loans to students studying for careers in certain health fields. The program is authorized by Title VII, Part A, Subpart II, of the Public Health Service Act and is administered by the Public Health Service of the U.S. Department of Health and Human Services.

Reinsurance Reimbursement Section

This Section reports the reimbursements for default claims and Supplemental Preclaims Assistance (SPA) paid to the agency by ED.

The Reinsurance Reimbursement Section has five columns and two line items. All amounts reported in this Section are to be cumulative since the beginning of the agency's FFEL Program participation.

For each line item, enter the information requested for each loan program in each column using the same loan program definitions given for the Lender Loan Volume Section above, with the following exceptions:

Column B - Federal PLUS

Report amounts received for both original Federal PLUS loans and refinanced Federal PLUS loans in this column.

Column C - Federal SLS

Report amounts received for both original Federal SLS Loans and refinanced Federal SLS Loans in this column.

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E-48 DEFAULT REINSURANCE RECEIVED

Enter in the appropriate column for each program the amount of reinsurance received from ED for defaults since the beginning of the agency's FFEL Program participation. This is the amount of principal, lender interest and guaranty agency claim interest paid to the guaranty agency for defaulted loans. Include amounts due from ED for default reinsurance claims filed, but not yet paid.

Non-reinsured GA interest is not included in this amount because ED does not pay reinsurance on it.

Do not include reinsurance payments received for any of the following claim types:

- exempted,
- bankruptcy (Chapter 13)
- death and disability
- bankruptcy (other than Chapter 13)
- closed schools, or
- false certification.
- lender of last resort loans

Also exclude amounts received from ED for any supplemental pre-claims assistance (SPA) charges. These amounts are reported in item E-49, Pre-11/90 SPA Reimbursed.

Also subtract from this amounts returned to ED for refunds and repurchases where the reinsurance was paid in the same Federal fiscal year.

E-49 PRE-11/90 SPA REIMBURSED

Enter in the appropriate column for each program the amount of Supplemental Preclaims Assistance (SPA) reimbursed by ED since the beginning of the agency's FFEL Program participation. Include only those SPA charges incurred for loans, which became delinquent before November 5, 1990. Also include amounts due from ED for SPA reimbursement requests filed, but not yet paid. The amount reim-

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bursed by ED for a borrower who defaulted on loans in more than one program may be prorated among the applicable loan programs.

Do not include SPA charges for loans, which became delinquent on or after November 5, 1990.

No entry can be made for column E, Unsubsidized Stafford, because the Unsubsidized Stafford Loans for Middle-Income Borrowers program did not exist before November 5, 1990.

IX Part F: Financial Statement

This Part shows the annual uniform financial projections for guaranty agencies. The data collected will also provide the Department a basis for financial reviews, evaluate the current and projected financial status of guaranty agencies, make comparisons for determining a national model for guarantors and projecting the impact of changes in revenue, and to manage guaranty agency reserves.

Federal Fund: F-1 through F14

This section reports all revenues and expenses of the Federal Fund.

F-1 Beginning Balance (*from 9/30/XX*)

Current Year

Beginning fund balance as reported on financial statements less the beginning fund balance of the Restricted Account.

Projected Years

Same as of F-12, Ending Balance for the previous FFY.

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F-2 Investment Earnings

Current Year

Report investment income recognized in the Federal Fund including the net increase (decrease) in fair value of investments. If the agency is required by State law to combine FFEL program funds with other State funds for investment purposes, then the agency must establish a method for allocating a portion of the earnings to the FFEL program and must maintain documentation on the allocation method.

Do not include interest earned on the Restricted Account, it should be reported in item R-3, Investment Income on the Restricted Account.

Projected Years

Report projected investment income on the Federal Fund.

F-3 Reinsurance from ED

Current Year

Report Federal reinsurance from ED, net of refunds, overpayments and repurchases, for defaults, bankruptcies, death, disability, closed school and false certification.

Projected Years

Defaults on loans originated prior to FFY94 receive maximum 100% reinsurance. Defaults on loans originated on or after FFY94 receive a maximum 98% reinsurance. And defaults on loans originated on or after FFY 98 receive a maximum of 95% reinsurance. Multiply line item F-7 by the weighted reinsurance "percentage".

F-4 Collections of Defaulted Loans – Reinsurance Complement

Current Year

Report the reinsurance complement recognized on collections of defaulted loans. Guarantors are required to transfer the complement of

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the reinsurance rate, which was not reimbursed to the guarantors by the Department on collections of defaulted loans to the Federal Fund.
(NOTE: See Attachment A for Example)

Projected Years

Report projected amount of reinsurance complement from defaulted collections.

F-5 Insurance Premiums

Current Year

Report insurance premiums (guarantee fees) recognized. Add or subtract, as appropriate, insurance premiums transferred at the time loan guarantees were transferred to/from guaranty agencies as well as premium refunds.

Projected Years

Enter the amount of projected revenue to be recognized. Typically computed through multiplication of the Agency's insurance rate by projected guarantee volume.

F-6 Other Revenues

Current Year

Report other revenues included in the Federal Fund not reported elsewhere in this section.

(NOTE: See Attachment B - Itemize entries to support data submitted).

Projected Years

Report projected revenues included in the Federal Fund not reported elsewhere in this section. **(NOTE: See Attachment B - Itemize entries to support data submitted).**

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F-7 Claims Expensed to Lenders

Current Year

Report default, exempted, bankruptcy, death and disability, closed schools and false certification and lender-of -last-resort default insurance claims expensed during the FFY, net of refunds, overpayments and repurchases for all FFEL program loans.

Include amounts on which claims have been paid to lenders, but on which reinsurance has not yet been received from ED. Also include amounts which are eligible for insurance from the guaranty agency, but which are not eligible for reinsurance from ED as well as provision for future claims, as applicable.

Subtract from this, amounts for refunds, repurchases or overpayments returned by lenders. Do not subtract the amounts for rehabilitated loans or defaulted loans consolidated under the FFEL program.

Do not subtract the amounts for defaulted FFEL program loans consolidated under the Federal Direct Loan Program.

Projected Years

Report projected amount of total claims expensed. Provide methodology for this estimate.

F-8 Recall of Federal Funds to the Restricted Account

Current Year

Report the Agency's required share of the reserve fund recall recognized in fiscal year.

Projected Years

Report projected reserve fund recall amounts to be recognized.

F-9 Transfer to Operating Fund for Default Aversion

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Current Year

Report Default Aversion expense recognized for delinquent loans for which agencies receive lender requests for assistance and for which payment is authorized under the Department's regulations and guidance. Amount should agree or be reconcilable to line O-2.

Projected Years

Project Default Aversion expense to be recognized for delinquent loans for which agencies receive lender requests for assistance and for which payment is authorized under the Department's regulations and guidance. Amount should agree or be reconcilable to line O-2.

F-10 Transfer to Operating Fund for Account Maintenance Fee**Current Year**

As applicable, report the transfer from Federal Fund for account maintenance fee if payments exceed the caps for a specific FFY.

F-11 Other Expenses (if applicable)**Current Year**

Report other expenses, which are not reported elsewhere in the Federal Fund section. **(NOTE: See Attachment B - Itemize entries to support data submitted).**

Projected Years

Report projected other expenses, which are not reported elsewhere in the Federal Fund section. **(NOTE: See Attachment B - Itemize entries to support data submitted).**

F-12 Ending Balance**Current Year**

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The ending balance must equal the sum of F-1 through F-6 minus F-7 through F-11.

Projected Year

The projected ending balance must equal the sum of F-1 through F-6 minus F-7 through F-11.

Supplemental Information

F-13 Amount transferred from Federal Fund to Operating Fund for Operating Expenses (Repayable)

Current Year

Money transferred from Federal Fund for operating expenses.

Projected Years

Projected amount to be transferred from Federal Fund for operating expenses.

F-14 Amount received from Operating Fund to Repay Advance for Operating Expenses

Current Year

Repayment of amounts transferred in F-13, Transfer to Operating Fund for Operating Expenses (Repayable).

Projected Years

Projected amounts to be transferred from F-13, Transfer to Operating Fund for Operating Expenses (Repayable).

Operating Fund: O-1 through O-14

This section reports all revenues and expenses of the Operating Fund.

O-1 Beginning Balance (*from 9/30/XX*)

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Current Year

Report beginning balance as reported in the Agency's financial statements. Since this fund was established during FFY99, the beginning balance in FFY99 would likely include 30% ACA transferred to Operating Fund as approved by the HEA amendments of 1998 and similar items.

Projected Years

Same as of O-12, Ending Balance for the previous fiscal year.

O-2 Default Aversion Fee Revenue**Current Year**

Report DAF revenue recognized for delinquent loans for which agencies receive lender requests for assistance and for which payment is authorized by the Department's regulations and guidance. Amount would likely agree or be reconcilable to line F-9.

Projected Years

Report projected DAF revenue to be recognized for delinquent loans for which agencies receive lender requests for assistance and for which payment is authorized by the Department's regulations and guidance. Amount would likely agree or be reconcilable to line F-9.

O-3 Loan Processing and Issuance Fee Revenue**Current Year**

Report loan processing and issuance fee revenue recognized.

Projected Years

Report projected loan processing and issuance fee revenue recognized.

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O-4 Account Maintenance Fee Revenue Received from the Department

Current Year

Report account maintenance fee recognized from the Department.

Projected Years

Report projected account maintenance fee recognized from the Department.

O-5 Transfer from Federal Fund for Account Maintenance Fee

Current Year

Report account maintenance fees recognized subject to Federal Fund settlement (F-10) when amount exceeds ED's budgetary cap.

O-6 Collections of Defaulted Loans less Reinsurance Complement

Current Year

Report collections revenues recognized from payments to guaranty agencies by defaulted borrowers. Amount should be net of F-4 (Collections of Defaulted Loans) – Reinsurance Complement. Include receipts from rehabilitated loan sales and consolidation of defaulted loans under the FFELP. **(Note: See Attachment A for Example)**

Projected Years

Projected collections revenues recognized from payments to guaranty agencies by defaulted borrowers. Amount should be net of F-4 (Collections of Defaulted Loans) – Reinsurance Complement. Include receipts from rehabilitated loan sales and consolidation of defaulted loans under the FFELP.

O-7 Investment Income

Current Year

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Enter the amount of all investment income recognized in the Operating Fund including the net increase (decrease) in fair value of investments.

Do not include interest earned on the Restricted Account, it should be reported in item R-3, Investment Income on the Restricted Account.

Projected Years

Report projected earnings on Operating Fund investments.

O-8 Other Revenues (FFEL and Non FFEL)

Current Year

Report other revenues that are FFEL and Non-FFEL not already reported elsewhere in this section. **(Note: See Attachment C - Itemize on a separate sheet of paper to support data submitted).**

Projected Year

Report projected other revenues that are FFEL and Non-FFEL not already reported elsewhere in this section. **(Note: See Attachment C - Itemize on a separate sheet of paper to support data submitted).**

O-9 Collections of Defaulted Loans (*Secretary Equitable Share*)

Current Year

Report the Secretary's equitable share on all collections, including rehabilitated loans and consolidation of defaulted loans amounts recognized in FFY. **(See Attachment A for Example)**

Projected Years

Report the Secretary's equitable share of projected collections.

O-10 Operating Expenses

Current Year

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Report expenses associated with guaranty agency related activities, including application processing, loan disbursement, enrollment and repayment status management, default aversion activities, default collection activities, school and lender training, financial aid awareness and related outreach activities and compliance monitoring.

Projected Years

Projected expenses associated with guaranty agency related activities, including application processing, loan disbursement, enrollment and repayment status management, default aversion activities, default collection activities, school and lender training, financial aid awareness and related outreach activities and compliance monitoring.

O-11 Other Expenditures (FFEL and Non-FFEL)

Current Year

Report other FFEL and Non-FFEL expenses not reported elsewhere in this section. **(NOTE: See Attachment C - Itemize entries to support data submitted).**

Projected Year

Report projected FFEL and Non-FFEL expenses not reported elsewhere in this section. **(NOTE: See Attachment C - Itemize on a separate sheet of paper to support data submitted).**

O-12 Ending Balance

Current Year

The ending balance must equal the formula O-1 through O-8 (Other Revenues FFEL and Non-FFEL) minus O-9 through O-11.

Projected Years

The projected ending balance must equal the formula O-1 plus O8 (Other Revenues FFEL and Non-FFEL) minus O-9 through O-11.

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Supplemental Information

**O-13 Amount Received from Federal Fund for Operating Expenses
(Repayable)**

Current Year

Money received from Federal Fund (F-13) for operating expenses.

Projected Years

Projected amount to be received from Federal Fund (F-13) for operating expenses.

O-14 Amount Repaid to Federal Fund for Operating Expenses

Current Year

Payment made to Federal fund for amounts transferred in O-13.

Projected Year

Projected payment made to Federal Fund for amounts transferred.

Restricted Account: R-1 through R-5

This section reports all revenues and expenses of the restricted account.

R-1 Beginning Balance (*from 9/30/XX*)

Current Year

Report balance of restricted account at end of previous FFY.

Projected Years

Same as (R-5) ending balance of the previous year.

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R-2 Recall of Federal Funds from Federal Fund

Current Year

Enter the amount of your agency's required share of the fund recall which has been recognized in a restricted account during the Federal fiscal year, based on the Agency's Federal Fund held as of September 30, 1996, as mandated by the Secretary.

Projected Years

Report future Reserve recalls in the period to be recognized.

R-3 Investment Income on Restricted Account

Current Year

Enter the cumulative amount of interest earned on your agencies Restricted Account.

Projected Years

Report projected amount of interest earned on Agency's Restricted Account.

R-4 Investment Income on Restricted Account Expensed for Default Prevention

Current Year

Enter the cumulative amount of earnings from the Restricted Reserve Account expensed for activities to reduce student loan defaults as specified in Dear Guaranty Agency letter dated 10-23-97.

Projected Years

Report projected expenses from the Restricted Account for default prevention.

R-5 Ending Balance

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Current Year

The ending balance must equal this formula: sum of R-1 through R-3 minus R-4.

Projected Balance

The projected ending balance must equal this formula: sum of R-1 through R-3 minus R-4.

Federal Fund Balance Sheet Section

(As of the end of the current Federal fiscal year 9/30/XX, on the accrual basis of accounting)

B-1 Cash, Cash Equivalents and Investments

Current Year

Report cash, cash equivalents and investment balances. Investments should be reported in accordance with GAAP.

B-2 Restricted Account Cash, Cash Equivalents and Investments

Current Year

Report cash, cash equivalents and investment balances. Investments should be reported in accordance with GAAP.

B-3 Net Investment in Property, Plant, Equipment and Inventory

Current Year

Report balances of property, plant, and equipment and inventory less accumulated depreciation and amortization.

B-4 Accounts Receivable from ED

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Current Year

Report amounts owed the Agency by ED (i.e. reinsurance and other payments), on an accrual basis.

B-5 Other Assets**Current Year**

Report asset accounts that are not reported in other line items. Including the receivable for funds temporarily transferred to the Operating Fund (if any) to meet operating expenses.

B-6 Accounts Payable, Accrued Expenses and Other Current Liabilities**Current Year**

Report liabilities for expenses due others than ED, on an accrual basis.

B-7 Accounts Payable to ED**Current Year**

Report other liabilities for expenses due ED on an accrual basis.

B-8 Other Liabilities**Current Year**

Report other liabilities that are not reported in other line items, including outstanding federal advances due to ED, and the remaining Restricted Account reserve return obligation, on an accrual basis.

B-9 Allowances and Other Non-Cash Charges to Federal Fund**Current Year**

Report loan loss and other allowances, such as deferred (unearned) guarantee fees, as well as other obligations of the Federal Fund, which are not reported in other line items on an accrual basis.

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B-10 Federal Fund Balance

Current Year

The Federal Fund balance on an accrual basis for the fiscal year being reported is calculated by adding line items B-1 through B-5 and subtracting line items B-6 through B-9.

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Certification Section

This Section is used to certify the completeness and accuracy of a guaranty agency's submission of its Annual Report.

This Section must always be completed and submitted with the Part E, the Annual Report and Part F, the Financial Statement.

The Section has eight line items.

G-1 TYPE OF SUBMISSION

Indicate by checking the appropriate field whether this Annual Report (ED Form 1130, Part E and F) is an original submission, the correction of a prior submission, or an adjustment. Do not check more than one field. See the Editing and Correction and the Adjustment Sections of Chapter II, Introduction, for a further explanation of this matter.

G-2 NAME OF GUARANTY AGENCY

Enter the full legal name of the guaranty agency. Do not enter the abbreviated Guaranty Agency State Name used at the top of this Part.

G-3 TYPED NAME OF CONTACT PERSON

Type (or print) the name of a staff member who can serve as a liaison to ED to resolve problems with minimal delay during the processing of an agency's Annual Report.

G-4 CONTACT TELEPHONE NUMBER

Enter the telephone number, including the area code, and the extension, if applicable, of the contact person named in item G-3, Typed Name of Contact Person.

G-5 SIGNATURE OF AUTHORIZED OFFICIAL

Enter in ink the original legal signature of the signing official. The

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certification must be signed by the director of the guaranty agency or an official authorized by the director. Unsigned forms will be returned to the agency.

G-6 DATE

Enter the month, day, and year on which the authorized official signed the certification. Numbers should be used to stand for the month. Only the last two digits of the calendar year should be entered.

G-7 TYPED NAME OF AUTHORIZED OFFICIAL

Type (or print) the name of the authorized official who is signing the certification in item G-5, Signature of Authorized Official.

G-8 TITLE OF AUTHORIZED OFFICIAL

Enter the organizational title of the authorized official who is signing the certification in item G-5, Signature of Authorized Official.

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APPENDIX: GUARANTY AGENCY LIST

This is a list of the guaranty agencies that receive payments from ED under the Federal Family Education Loan Program. Some of these agencies no longer issue loan guarantees, and do not participate in all the activities or provide all the reports to ED which other guaranty agencies do.

Listed below for each guaranty agency (GA) is its guaranty agency code, its guaranty agency State name, its guaranty agency abbreviation and its full legal name. For brevity and automatic data processing purposes, ED refers to a guaranty agency by a three digit code (GA code) or by the name of the principal State in which it does business (GA State name). ED sometimes also refers to a guaranty agency by a two letter abbreviation (GA abbreviation) based on the guaranty agency State name. **Agencies that no longer guarantee loans or have closed or merged with other agencies are noted with an asterisk.**

The Roman numerals in parentheses in some guaranty agency State names are used to distinguish between agencies in States which have more than one guaranty agency involved in the Federal Family Education Loan Program. The numerals are assigned from low to high in the order in which the guaranty agencies signed insurance agreements with the Secretary of Education.

This list is in alphabetical order by GA State name.

Code; GA State Name, GA Abbreviation; Legal Name:

701*	Alabama, AL
	Alabama Commission on Higher Education
804*	Arizona, AZ
	Arizona Educational Loan Program
705	Arkansas, AR
	Student Loan Guarantee Foundation of Arkansas

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Code; GA State Name, GA Abbreviation; Legal Name:

706	California, CA California Student Aid Commission
708	Colorado, CO Colorado Guaranteed Student Loan Program
709	Connecticut, CT Connecticut Student Loan Foundation
710*	Delaware, DE Delaware Postsecondary Education Commission
711*	District of Columbia (I), DG District of Columbia Student Loan Insurance Program
611*	District of Columbia (II), DC Higher Education Assistance Foundation - District of Columbia Region
712	Florida, FL Florida Student Financial Assistance Foundation
713	Georgia, GA Georgia Higher Education Assistance Corporation
815*	Hawaii, HI Hawaii Education Loan Program
716*	Idaho, ID Student Loan Fund of Idaho, Inc.
717	Illinois, IL Illinois Student Assistance Commission
718*	Indiana, IN State Student Assistance Commission of Indiana
719	Iowa, IA Iowa College Aid Commission
620*	Kansas, KS Higher Education Assistance Foundation - Kansas Region
721	Kentucky, KY Kentucky Higher Education Assistance Authority
722	Louisiana, LA Governor's Special Commission of Education Services
723	Maine, ME Finance Authority of Maine

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Code; GA State Name, GA Abbreviation; Legal Name

724*	Maryland, MD
	Maryland Higher Education Loan Corporation
725	Massachusetts, MA
	Massachusetts Higher Education Assistance Corporation
726	Michigan, MI
	Michigan Higher Education Assistance Authority
627*	Minnesota (I), MN
	Higher Education Assistance Foundation
727*	Minnesota (II), MM
	Northstar Guarantee, Inc.
728*	Mississippi, MS
	Mississippi Guaranteed Student Loan Agency
729	Missouri, MO
	Coordinating Board for Higher Education
730	Montana, MT
	Guarantee Student Loan Program
631*	Nebraska (I), NB
	Higher Education Assistance Foundation - Nebraska Region
731	Nebraska (II), NE
	Nebraska Student Loan Program
733	New Hampshire, NH
	New Hampshire Higher Education Assistance Foundation
734	New Jersey, NJ
	New Jersey Higher Education Assistance Authority
735	New Mexico, NM
	Student Loan Guarantee Corporation
736	New York, NY
	New York State Higher Education Services Corporation
737	North Carolina, NC
	North Carolina State Education Assistance Authority
738	North Dakota, ND
	North Dakota Guaranteed Student Loan Program
739*	Ohio, OH
	Ohio Student Loan Commission

Code; GA State Name, GA Abbreviation; Legal Name

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740	Oklahoma, OK Oklahoma Guaranteed Student Loan Program
741	Oregon, OR Oregon State Scholarship Commission
742	Pennsylvania, PA Pennsylvania Higher Education Assistance Agency
772*	Puerto Rico, PR Puerto Rico Higher Education Assistance Corporation
744	Rhode Island, RI Rhode Island Higher Education Assistance Authority
745	South Carolina, SC South Carolina Loan Corporation
746	South Dakota, SD Education Assistance Corporation
747	Tennessee, TN Tennessee Student Assistance Corporation
948*	Texas (I), TC Texas Higher Education Coordinating Board
748	Texas (II), TX Texas Guaranteed Student Loan Corporation
800	U.S. Aid Funds, UF United Student Aid Funds, Inc.
749	Utah, UT Utah Higher Education Assistance Authority
750	Vermont, VT Vermont Student Assistance Corporation
778*	Virgin Islands, VI Virgin Islands Joint Boards of Education
751*	Virginia, VA Virginia State Education Assistance Authority
753	Washington, WA Northwest Educational Loan Association

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Code; GA State Name, GA Abbreviation; Legal Name

654*	West Virginia, WV Higher Education Assistance Foundation - West Virginia Region
755	Wisconsin, WI Great Lakes Higher Education Corporation
656*	Wyoming, WY Higher Education Assistance Foundation - Wyoming Region
927	Minnesota, MB Educational Credit Management Corporation I
951	Minnesota, MV Educational Credit Management Corporation II

ATTACHMENT A

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Example for Line Items: F-4, O-6, and O-9

Example: A guaranty agency receives a collection from a borrower on a defaulted loan for \$100. The guaranty agency was paid 98 percent reinsurance on the loan. The "Secretary's equitable share" of collections is calculated as follows:

Amount collected	\$ 100
less complement of reinsurance not paid (100% - 98%)	- 2
<u>less 24% collection retention</u>	<u>- 24</u>
Secretary's equitable share	\$ 74

Report "complement of reinsurance not paid" in line F-4.
Report "amount collected" less "complement of reinsurance not paid" in line O-6. Report "Secretary's equitable share" in line O-9.

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ATTACHMENT B

FEDERAL FUND SCHEDULE OF ITEMIZED LINE ITEMS

[illegible]

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ATTACHMENT C

**OPERATING FUND
SCHEDULE OF ITEMIZED LINE ITEMS**

ITEM NO.	CATEGORY	AMT./ CY ACTUAL	CY + 1 PROJ.	CY +2 PROJ.	CY +3 PROJ.	CY +4 PROJ.	CY + 5 PROJ.	EXPLANATION
O-8	OTHER REVENUES:							
	FFEL:							
	NON-FFEL:							
O-11	OTHER EXPENDITURES:							
	FFEL:							
	NON-FFEL:							
	1. Other Student Financial Aid related expenditures for the benefit of students							